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STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana State University
State of Louisiana
Baton Rouge, Louisiana

December 16, 1997



Financial and Compliance Audit Division

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

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**LOUISIANA STATE UNIVERSITY
STATE OF LOUISIANA
Baton Rouge, Louisiana**

**General Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1997
With Supplemental Information Schedules**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge, New Orleans, and Shreveport offices of the Legislative Auditor.

December 16, 1997

**LOUISIANA STATE UNIVERSITY
STATE OF LOUISIANA**

**General Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1997
With Supplemental Information Schedules**

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STATE OF LOUISIANA
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**LOUISIANA STATE UNIVERSITY
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OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
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November 25, 1997

Independent Auditor's Report
on the Financial Statements

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the accompanying general purpose financial statements of the Louisiana State University System, a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the Louisiana State University System. Our responsibility is to express an opinion on these financial statements based on our audit.

The various campuses of the Louisiana State University System have contracted with their foundations to invest the university's Eminent Scholars Endowed Chairs Program funds and the Endowed Professorships Program funds. The financial statements of these foundations, which are separate corporations, were not audited by us, but were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included for the previously mentioned funds, is based solely upon the reports of the other auditors. Each year, the various campuses of the Louisiana State University System include a due from private foundations for the state portion of the Eminent Scholars Endowed Chairs Program and the Endowed Professorships Program in their financial statements. As of June 30, 1997, Statement A reflects a due from private foundations totaling \$2,821,201 in the Restricted Funds (expendable part), which represents approximately one and one-half percent of Restricted Fund assets, and \$21,088,414 in the Endowment Funds (nonexpendable part), which represents approximately 55 percent of Endowment Fund assets. Our opinion, insofar as it relates to these amounts, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

LEGISLATIVE AUDITOR

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Audit Report, June 30, 1997

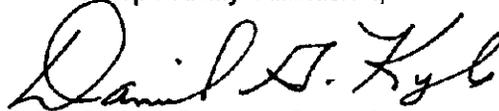
As described in note 9 to the financial statements, the university has excluded the liability relating to compensated absences from the accompanying financial statements. In our opinion, generally accepted accounting principles require that such liability be reflected in the financial statements in the year in which the benefits accrue.

In our opinion, based on our audit and the reports of other auditors, except for the effects of not recording the liability relating to compensated absences, as discussed in the preceding paragraph, the accompanying general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana State University System at June 30, 1997; the changes in fund balances; and the current funds revenues, expenditures, and other changes for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 25, 1997, on our consideration of the Louisiana State University System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Louisiana State University System. Such information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, based on our audit and the reports of the other auditors, except for the effects of not recording the liability relating to compensated absences, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

MGT:BJJ:dl

[LSU]

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
ALL FUNDS**

Combined Balance Sheet, June 30, 1997

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
ASSETS				
Cash and cash equivalents (note 2)	\$28,881,598	\$13,722,409	\$21,807,235	\$2,575,912
Investments (note 3)	65,718,163	1,099,765	27,316	
Accrued interest	685,239	55,503	315,155	
Accounts receivable (note 4)	14,104,167	5,758,941	95,021,152	
Due from state General Fund				
Notes receivable				27,823,707
Due from private foundations	49,060	37	2,821,201	
Due from other funds (note 5)	1,823,381	873,579	63,884,031	785,036
Deferred charges and prepaid expenses	3,739,938	209,613	1,650,130	
Inventories	11,300,461	10,476,739	271,043	
Institutional plant (note 15)				
Other assets				
TOTAL ASSETS	\$126,102,007	\$32,196,586	\$185,797,263	\$31,184,655
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$8,689,932	\$2,725,847	\$6,942,057	\$101,002
Accrued liabilities	10,040,935	657,236	7,518,307	
Due to state treasury (note 12)	47,307			
Due to other funds (note 5)	80,223,025		18,790	
Deposits held for others	799,520	896,248		93,835
Deferred revenues	15,000,827	9,771,440	671,231	
Notes payable (note 11)				
Contracts payable (note 11)				
Bonds payable (note 11)				
Obligations under capital lease (note 10)				
Total Liabilities	114,801,546	14,050,771	15,150,385	194,837
Fund Equity:				
Net investment in plant				
Fund balances:				
Reserved (note 13)	11,300,461	2,739,048	15,139,044	
Current operations - restricted		15,406,767	155,507,834	
Noncurrent operations:				
Restricted				30,989,818
Endowment				
Term endowment				
Quasi-endowment				
Total Fund Equity	11,300,461	18,145,815	170,646,878	30,989,818
TOTAL LIABILITIES AND FUND EQUITY	\$126,102,007	\$32,196,586	\$185,797,263	\$31,184,655

The accompanying notes are an integral part of this statement.

Statement A

ENDOWMENT FUNDS	PLANT FUNDS				AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT		
\$7,536,759	\$29,973,537	\$6,894,091	\$167,288		\$460,414	\$112,019,243
7,686,141	31,661,772		8,796,078			114,989,235
298	3,922				66	1,060,183
	74,670				51,373	115,010,303
			712,842			712,842
						27,823,707
21,088,414						23,958,712
616,689	13,931,570	159,802				81,874,088
						5,599,681
						22,048,243
				\$1,650,422,131		1,650,422,131
1,136,168						1,136,168
<u>\$38,064,469</u>	<u>\$75,645,471</u>	<u>\$7,053,893</u>	<u>\$9,676,208</u>	<u>\$1,650,422,131</u>	<u>\$511,853</u>	<u>\$2,156,654,536</u>
	\$1,086,599				\$1,224	\$19,546,661
						18,216,478
						47,307
\$1,623,382			\$8,891			81,874,088
					510,629	2,300,232
						25,443,498
				\$29,945,003		29,945,003
				4,388,094		4,388,094
				74,412,000		74,412,000
				111,480		111,480
<u>1,623,382</u>	<u>1,086,599</u>	<u>NONE</u>	<u>8,891</u>	<u>108,856,577</u>	<u>511,853</u>	<u>256,284,841</u>
				1,541,565,554		1,541,565,554
	4,405,992	\$143,649	9,667,317			43,395,511
						170,914,601
	70,152,880	6,910,244				108,052,942
32,853,558						32,853,558
814,449						814,449
2,773,080						2,773,080
<u>36,441,087</u>	<u>74,558,872</u>	<u>7,053,893</u>	<u>9,667,317</u>	<u>1,541,565,554</u>	<u>NONE</u>	<u>1,900,369,695</u>
<u>\$38,064,469</u>	<u>\$75,645,471</u>	<u>\$7,053,893</u>	<u>\$9,676,208</u>	<u>\$1,650,422,131</u>	<u>\$511,853</u>	<u>\$2,156,654,536</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
ALL FUNDS**

**Combined Statement of Changes in Fund Balances
For the Year Ended June 30, 1997**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$547,861,363	\$123,399,752		
Tuition and fees - restricted			\$12,030,254	
State grants and contracts - restricted			73,075,881	
Federal grants and contracts - restricted			106,560,865	\$216,710
Local grants and contracts - restricted			2,309,197	
Private gifts, grants, and contracts - restricted			54,459,532	1,442
Investment income - restricted			10,609,153	251,446
Interest on loans receivable				530,650
Sales and services			119,177,260	
State funded endowments				
Endowment income			1,922,826	
Hospital - restricted	90,748		244,481,248	
Additions to plant facilities				
Retirement of indebtedness				
Other sources		391,140	23,542,294	273,012
Total revenues and other additions	547,952,111	123,790,892	648,168,510	1,273,260
Expenditures and other deductions:				
Educational and general	547,689,326		414,654,875	
Hospital	90,748		161,851,960	
Auxiliary enterprises		111,568,544		
Indirect costs recovered			22,434,118	
Loan cancellations and write-offs				161,693
Expended for plant facilities				
Disposal of plant facilities				
Retirement of indebtedness				
Interest on indebtedness				
Refunded to grantors				2,328
Interagency transfers to Office of Facility Planning and Control (note 16)				
Interagency transfers to Department of Health and Hospitals			70,427,006	
Other		1,448,540		234,682
Total expenditures and other deductions	547,780,074	113,017,084	669,367,959	398,703
Transfers among funds - additions (deductions):				
Mandatory:				
Principal and interest		(3,228,272)	(3,647,177)	
Loan fund matching	(80,263)		(12,642)	92,905

(Continued)

The accompanying notes are an integral part of this statement.

Statement B

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL (MEMORANDUM ONLY)
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
					\$671,261,115
					12,030,254
					73,075,881
			\$29,723		106,807,298
					2,309,197
\$1,500					54,462,474
	\$2,256,793	\$58,038	47,336		13,222,766
					530,850
					119,177,260
2,720,000					2,720,000
2,772,292					4,695,118
					244,571,996
				\$65,725,303	65,725,303
				5,231,221	5,231,221
503,781	37,901,057		7,454,421	2,168,695	72,234,400
5,997,573	40,157,850	58,038	7,531,480	73,125,219	1,448,054,933
					962,344,201
					161,942,708
					111,568,544
					22,434,118
					161,693
	21,519,107				21,519,107
				16,583,200	16,583,200
			5,231,221		5,231,221
			3,621,946		3,621,946
					2,328
	7,290,146				7,290,146
					70,427,006
338,592		1,260,495	294,185	42,325,000	45,901,494
338,592	28,809,253	1,260,495	9,147,352	58,908,200	1,429,027,712

6,875,449

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
ALL FUNDS
Combined Statement of Changes in Fund Balances, 1997**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Transfers among funds - additions (deductions): (Cont.)				
Nonmandatory:				
Capital improvements	(\$91,774)	(\$4,833,241)	(\$7,345,005)	
Renewals and replacements		(1,995,587)		
Other		(576,894)	2,676,002	
Total transfers among funds	<u>(172,037)</u>	<u>(10,833,774)</u>	<u>(8,328,822)</u>	<u>\$92,905</u>
Inventory increase (decrease)	<u>5,834,450</u>	<u>NONE</u>	<u>(53,633)</u>	<u>NONE</u>
Net increase (decrease) for the year	5,834,450	140,034	(29,581,904)	967,462
Fund balances at beginning of year	<u>5,666,011</u>	<u>18,005,781</u>	<u>200,228,782</u>	<u>30,022,356</u>
Fund balances at end of year	<u>\$11,300,461</u>	<u>\$18,145,815</u>	<u>\$170,646,878</u>	<u>\$30,989,818</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement B

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL (MEMORANDUM ONLY)
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
	\$12,529,219	(\$259,199)			
		1,995,567			
\$54,900	(2,200,000)	247,646	(\$201,854)		
54,900	10,329,219	1,984,014	6,673,595	NONE	NONE
NONE	NONE	NONE	NONE	NONE	\$5,580,817
5,713,881	21,677,816	781,557	5,057,723	\$14,217,019	24,608,038
30,727,206	52,881,056	6,272,336	4,609,594	1,527,348,535	1,875,761,657
<u>\$36,441,087</u>	<u>\$74,558,872</u>	<u>\$7,053,893</u>	<u>\$9,667,317</u>	<u>\$1,541,565,554</u>	<u>\$1,900,369,695</u>

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
CURRENT FUNDS**

**Combined Statement of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1997**

	<u>GENERAL</u>	<u>AUXILIARY ENTERPRISES</u>	<u>RESTRICTED</u>
Revenues:			
Tuition and fees	\$142,628,188		\$11,099,481
Federal appropriations	10,015,944		
State appropriations	331,066,656		88,660
Federal grants and contracts			92,729,702
State grants and contracts	36,336,814		71,651,296
Local grants and contracts			2,272,588
Private gifts, grants, and contracts			45,312,533
Hospital income	90,748		232,279,260
Sales and services of educational departments	10,511,456		165,140,475
Sales and services of auxiliary departments		\$123,399,752	
Endowment income			1,411,530
Investment income	3,130,360		12,248,031
Other sources	14,171,945		23,564,675
Total revenues	<u>547,952,111</u>	<u>123,399,752</u>	<u>657,796,211</u>
Expenditures and transfers:			
Educational and general:			
Instruction	253,670,494		91,636,513
Research	75,032,103		105,593,861
Public service	33,798,376		115,381,316
Academic support	51,594,685		23,521,283
Student services	12,398,270		6,269,953
Institutional support	54,526,720		39,090,172
Operations and maintenance of plant	45,717,493		7,573,513
Scholarships and fellowships	20,951,205		25,588,264
Total educational and general expenditures	<u>547,689,326</u>	NONE	<u>414,654,875</u>
Mandatory transfers for:			
Principal and interest		3,228,272	3,647,177
Loan fund matching	80,263		12,642
Nonmandatory transfers for:			
Capital improvements	91,774	4,833,241	7,345,005
Renewals and replacements		1,995,567	
Other		576,694	(2,676,002)
Auxiliary enterprises expenditures		111,568,544	
Hospital expenditures	90,748		161,851,960
Total expenditures and transfers	<u>547,952,111</u>	<u>122,202,318</u>	<u>584,835,657</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			(9,627,701)
Inventory increase (decrease)	5,634,450		(53,633)
Interagency transfers to Department of Health and Hospitals			(70,427,006)
Other		(1,057,400)	(22,434,118)
Net increase (decrease) in fund balances	<u>\$5,634,450</u>	<u>\$140,034</u>	<u>(\$29,581,904)</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

Notes to the Financial Statements
As of and for the Year Ended June 30, 1997

INTRODUCTION

The Louisiana State University System is a publicly supported institution of higher education. The university is a component unit of the State of Louisiana, within the executive branch of government. The university is under the management and supervision of the Louisiana State University Board of Supervisors; however, the annual budgets of the university and changes to the degree programs, departments of instruction, et cetera, require the approval of the Board of Regents for Higher Education. The board of supervisors is comprised of 16 members appointed for a six-year term by the governor, with the consent of the Senate, and one student member appointed for a one-year term by a council composed of the student body presidents of the university. As a state university, operations of the university's instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature. The chief executive officer of the university system is the president.

The university system is comprised of nine institutions on ten campuses in five cities. The system includes LSU and A&M College, Paul M. Hebert Law School, and Pennington Biomedical Research Center, all in Baton Rouge; the LSU Agricultural Center (including the Louisiana Agricultural Experiment Station and the Louisiana Cooperative Extension Service) with headquarters in Baton Rouge; the University of New Orleans; LSU in Shreveport; LSU in Alexandria and LSU in Eunice, both two-year institutions; and the LSU Medical Center composed of Schools of Medicine, Dentistry, Nursing, and Allied Health Professions, and a Graduate School in New Orleans and a School of Medicine and Hospital in Shreveport. Student enrollment for the university system for the 1996 fall semester totaled 55,160. During October 1996, the university system had 5,000 full-time and part-time faculty members, including associates and affiliated faculty.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) considers both the American Institute of Certified Public Accountants (AICPA) College Guide model and the governmental model to be acceptable for accounting and financial reporting by governmental colleges and universities. The accompanying financial statements have been prepared in accordance with the AICPA College Guide model principles, except for the recognition of compensated absences. The university recognizes the liability for unused annual and sick leave when paid because major portions of the liability will be paid from the university's General Funds from future appropriations made by the Louisiana Legislature.

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The university is considered a component unit of the State of Louisiana because the state exercises oversight responsibility and has accountability for fiscal matters as follows: (1) a majority of the members of the governing boards are appointed by the governor; (2) the state has control and exercises authority over budget matters; (3) state appropriations provide the largest percentage of total revenues; (4) the state issues bonds to finance certain construction; and (5) the university primarily serves state residents. The accompanying financial statements present information only as to the transactions of the programs of the Louisiana State University System, a component unit of the State of Louisiana.

Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements. The general purpose financial statements are audited by the Louisiana Legislative Auditor.

C. FUND ACCOUNTING

To observe the limitations and restrictions placed on the use of available resources, the accounts of the university are maintained in accordance with the principles of fund accounting. Such principles prescribe the manner in which resources for various purposes are classified, for accounting and reporting purposes, into funds that are in accordance with specified activities or objectives. Accounts are separately maintained for each fund; however, in the accompanying financial statements, funds having similar characteristics have been combined into fund groups. Accordingly, all financial statements have been reported by fund groups. A brief description of each fund group follows:

Current Funds

Current funds are operating funds that will be expended in the near term. Such funds include the General Fund, Auxiliary Enterprises Fund, and Restricted Fund.

The General Fund is used for operating purposes on which there are no restrictions, except the budgetary control provisions included in the annual legislative appropriation act. The current funds also include auxiliary enterprise funds designated by the Board of Supervisors as applicable to certain activities to maintain the operations as essentially self-supporting. Unexpended balances in the auxiliary activities are retained to fund future expenses of the auxiliary operations. Restricted current funds represent those operating funds on which restrictions have been imposed that limit the purposes for which such funds can

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

be used and include gifts, grants, or contracts from governmental or private agencies.

Student Loan Funds

The student loan funds group accounts for resources available for loans to students.

Endowment Funds

The endowment fund group consists of endowment funds, term endowment funds, and quasi-endowment funds. Endowment funds are funds with respect to which donors or other outside agencies have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income that may either be expended or added to principal. Term endowment funds differ from endowment funds in that all or a portion of the principal becomes expendable after a stated period of time or an occurrence of a specified event. Quasi-endowment funds are those funds that the governing board of the institution, rather than a donor or other external agency, has determined to treat as endowment funds, to be retained and invested. Expendable income derived from investment of principal is accounted for in the restricted current fund; any nonexpendable interest is accounted for as income in the endowment fund.

Plant Funds

The plant funds group contains four self-balancing subgroups. Unexpended plant funds are used for the acquisition of long-lived assets for institutional purposes. Funds for renewals and replacements are set aside from current operating revenues for the renewal and replacement of auxiliary enterprise properties. Funds for retirement of indebtedness are to service plant indebtedness of the university. Investment in plant includes all long-lived assets of the university. Certain plant assets are provided directly by the state and are funded by general obligation bonds of the state. While the plant assets are included in the financial statements, the general obligation bonds are not since they are funded by the state treasurer.

Agency Funds

Agency funds are deposits in which the university acts as custodian or fiscal agent on behalf of others, such as student or faculty organizations and workshops.

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING

The financial statements of the university have been prepared on the accrual basis of accounting, except that (1) depreciation is not recognized; (2) annual and sick leave are recognized when paid; and (3) the inventories of the General Fund are recorded as expenditures at the time of purchase.

The statement of current funds revenues, expenditures, and other changes is a statement of financial activities of current funds relating to the current reporting period. It does not purport to present the results of operations (net income or loss) for the period as would a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as expenditures in the case of normal acquisitions, repairs, and renovations; mandatory transfers in the case of required provisions for debt amortization and interest; and as transfers of a nonmandatory nature for all other cases.

E. BUDGET PRACTICES

The appropriations made for the General Fund of the Louisiana State University System are annual lapsing appropriations established by legislative action and by Title 39 of the Louisiana Revised Statutes. The statute requires that the budget be approved by the Board of Regents for Higher Education and certain legislative and executive agencies of state government. Budget revisions are granted by the Joint Legislative Committee on the Budget. In compliance with these legal restrictions, budgets are adopted on the accrual basis of accounting, except that (1) depreciation is not recognized; (2) leave costs are treated as budgeted expenditures to the extent that they are expected to be paid; and (3) inventories in the General Fund are recorded as expenditures at the time of purchase.

The original approved budgets and subsequent amendments approved are as follows:

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

	<u>Board of Supervisors and System Administration</u>	<u>Pennington Biomedical Research Center</u>	<u>LSU and A&M College - Baton Rouge</u>	<u>LSU at Alexandria</u>
Original approved budget	\$3,011,405	\$5,247,031	\$213,558,573	\$7,522,983
Increases:				
State General Fund	363,790	756,603	13,925,379	516,599
Federal funds				
Self Generated				
Decreases by interagency transfers	_____	_____	_____	_____
Total	<u><u>\$3,375,195</u></u>	<u><u>\$6,003,634</u></u>	<u><u>\$227,483,952</u></u>	<u><u>\$8,039,582</u></u>

The other funds of the university, although subject to internal budgeting, are not required to submit budgets for approval through the legislative budget process.

**F. CASH AND CASH EQUIVALENTS
AND INVESTMENTS**

Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits. Under state law, the Louisiana State University System may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the university may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

In accordance with Louisiana Revised Statute (R.S.) 49:327(C)(3), the university is authorized to invest funds in direct United States Treasury obligations and, in addition, funds derived from gifts and grants, endowments, and reserve funds established in accordance with bond issues may be invested as stipulated by the conditions of the gift instrument or bond indenture. The majority of these investments are United States Treasury securities and municipal bonds and are reported at cost, which approximates market on the balance sheet.

G. INVENTORIES

Inventories are valued at cost or replacement cost, except for livestock at the LSU and A&M College - Baton Rouge and the Agricultural Center and the inventory of Professional Practice and the Dental School of the LSU Medical Center - New Orleans. These inventories are valued at current market prices. The university uses periodic and perpetual inventory systems and values its various other inventories using the first-in, first-out and weighted-average valuation methods. Inventories in the General and

<u>LSU at Eunice</u>	<u>Paul M. Hebert Law Center</u>	<u>LSU Agricultural Center</u>	<u>University of New Orleans</u>	<u>LSU in Shreveport</u>	<u>LSU Medical Center</u>
\$6,620,317	\$9,461,818	\$68,317,183	\$72,826,504	\$16,749,469	\$321,642,258
466,644	480,676	6,103,134	4,658,673	1,136,231	9,658,354
			850,000		3,306,159
					12,450,439
					(4,325,991)
<u>\$7,086,961</u>	<u>\$9,942,494</u>	<u>\$74,420,317</u>	<u>\$78,335,177</u>	<u>\$17,885,700</u>	<u>\$342,731,219</u>

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LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

Restricted Funds are recorded as expenditures at the time of purchase. Year-end balances are offset by a fund balance reserve that indicates this portion of the fund balance does not constitute available spendable resources. The inventories of the auxiliary enterprise funds are expended when sold or used.

H. DEFERRED REVENUES

Tuition and fees collected at June 30, 1997, but applicable to the 1997 summer session, are reported as deferred revenues. Expenses relating to this session are reported in the period the tuition and fees are recognized as revenues.

I. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve fund balances, is employed by the university during the year. Encumbrances outstanding at year-end in all funds, except for the General Fund and certain encumbrances of the Restricted Fund referred to in note 13, are reported as reservations of fund balance since they do not constitute expenditures or liabilities in the year encumbered. Encumbrances of the General Fund are not included in the financial statements because the university does not have the ability to finance the liquidation of encumbrances after June 30, 1997, as provided by R.S. 39:82.

J. PLANT ASSETS

Physical plant and equipment are stated at cost at the date of acquisition, estimated cost if actual cost is not known, fair market value at date of donation in the case of gifts, or market value for livestock. Public domain or infrastructures are capitalized. Construction in progress is capitalized during construction. No depreciation has been provided on plant assets.

K. COMPENSATED ABSENCES

Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. Faculty with 12-month appointments who have over 10 years of state service, non-classified employees with over 10 years of state service, and classified employees regardless of years of state service accumulate leave without limitation. According to the university leave schedule, faculty with 12-month appointments who have less than 10 years of state service and non-classified employees with less than 10 years of state service can only accumulate 176 hours of annual leave; sick leave is accumulated without limitation. Effective January 1, 1994, academic and unclassified employees were given the opportunity to elect to remain under the university leave schedule or change to the Louisiana State Civil Service annual leave accrual schedule under which there is no limit on the accumulation of

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

annual leave. Nine-month faculty members accrue sick leave but do not accrue annual leave; however, they are granted faculty leave during holiday periods when students are not in classes. Upon separation of employment, both classified and non-classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic and unclassified personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The liability for unused annual leave and unused sick leave, as discussed previously in note 1, is not recorded in the accompanying financial statements.

L. TOTAL COLUMNS ON STATEMENTS

Total columns on the statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations. Neither is such data comparable to a consolidation.

2. CASH AND CASH EQUIVALENTS

At June 30, 1997, the university has cash and cash equivalents (book balances) of \$112,019,240 as follows:

	<u>Cash on Hand</u>	<u>Cash - Demand Deposits</u>	<u>Interest- Bearing Demand Deposits</u>
LSU and A&M College - Baton Rouge and Related University of New Orleans	\$821,197	(\$12,984,610)	\$7,989,200
LSU in Shreveport	33,678	1,776	347,662
LSU Medical Center	179,260	750,000	12,963,655
Total	<u>\$1,195,386</u>	<u>(\$12,141,750)</u>	<u>\$21,300,517</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a

<u>Cash Equivalents - Time Deposits</u>	<u>Cash in State Treasury</u>	<u>Money Market Savings Accounts</u>	<u>Total</u>
\$89,163,709			\$77,000,296
840,000			9,081,535
4,108,362	\$69,593		4,561,071
<u>5,118,600</u>	<u> </u>	<u>\$2,364,826</u>	<u>21,376,341</u>
<u>\$99,230,671</u>	<u>\$69,593</u>	<u>\$2,364,826</u>	<u>\$112,019,243</u>

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

holding or custodial bank that is mutually acceptable to both parties. At June 30, 1997, the university has \$145,498,458 in deposits (collected bank balances), excluding amounts held within the state treasury. These deposits are secured from risk by \$2,406,825 of federal deposit insurance (GASB Category 1), \$123,481,818 collateralized with securities held by the pledging financial institution's trust department or agent in the university's name (GASB Category 2), and \$19,609,815 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Included in cash and cash equivalents is cash available to the university within the state treasury totaling \$69,593. Securities pledged for cash in the state treasury are not included in the above computations as these amounts are secured by fiscal agent banks established by the state treasury independent of the university.

3. INVESTMENTS

At June 30, 1997, the university has investments totaling \$114,989,235 as follows:

	<u>LSU and A&M College</u>	
	<u>Carrying</u>	<u>Market</u>
United States government securities held by the financial institution or its agent and recorded by the financial institution as purchased by the university		
United States government securities held by the financial institution in institution's name		
United States government securities held by the financial institution in trust	\$8,083,765	\$8,095,899
Mutual funds held by the financial institution or its agent in trust	34,368,067	34,368,067
Stock held by the university	924,658	4,152,341
Mortgage notes:		
Federal Home Loan Mortgage Company		
Federal Home Loan Bank		
Federal National Mortgage Association		
Student Loan Mortgage Association		
Registered bonds held by the university	985,005	980,609
	<u>985,005</u>	<u>980,609</u>
Total investments	<u>\$44,361,495</u>	<u>\$47,596,916</u>

University of New Orleans		LSU Medical Center	
<u>Carrying</u>	<u>Market</u>	<u>Carrying</u>	<u>Market</u>
		\$11,617,000	\$11,634,874
\$1,170,906	\$1,183,121		
7,238,782	7,235,759		
13,851	12,444	22,751	22,751
		9,849,016	9,856,030
		1,000,000	991,000
		29,761,417	29,844,835
		9,954,017	9,953,500
<u>\$8,423,539</u>	<u>\$8,431,324</u>	<u>\$62,204,201</u>	<u>\$62,302,990</u>

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

Investments for the LSU and A&M College - Baton Rouge include the securities of the Board of Supervisors and System Administration, Pennington Biomedical Research Center, LSU at Alexandria, LSU at Eunice, the Paul M. Hebert Law Center, and the LSU Agricultural Center.

The credit risk of GASB Codification Section 150.164 was applied to the university's investments. Stocks of \$961,260, United States government bonds of \$985,005 are investments either held by the university or its agent or are insured or registered in the university's name (GASB Category 1). United States government securities of \$7,238,782 are held by the counterparty of its trust department or agent in the university's name (GASB Category 2). Investments totaling \$71,436,121 are unsecured and unregistered with securities held by the counterparty or its trust department or agent but not in the university's name (GASB Category 3). Mutual funds totaling \$34,368,067 were not categorized.

4. ACCOUNTS RECEIVABLE

Accounts receivable are shown on Statement A net of an allowance for doubtful accounts as follows:

<u>Fund</u>	<u>Accounts Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Statement A</u>
General	\$14,104,458	\$291	\$14,104,167
Auxiliary Enterprise	5,787,112	28,171	5,758,941
Restricted	136,903,519	41,882,367	95,021,152
Unexpended Plant	74,670		74,670
Agency	51,373		51,373
	<u>\$156,921,132</u>	<u>\$41,910,829</u>	<u>\$115,010,303</u>

The allowance represents a provision in current restricted funds from patients served at various medical center clinics and outside billings.

5. DUE FROM/TO OTHER FUNDS

The following is a summary of amounts due from/to other funds at June 30, 1997:

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Notes to the Financial Statements (Continued)

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Current Funds:		
General	\$1,623,381	\$80,223,025
Auxiliary Enterprises	873,579	
Restricted	63,884,031	18,790
Student Loan Funds	785,036	
Endowment Funds	616,689	1,623,382
Plant Funds:		
Unexpended	13,931,570	
Renewals and Replacements	159,802	
Retirement of Indebtedness		8,891
	<u>\$81,874,088</u>	<u>\$81,874,088</u>
Total		

6. PENSION PLANS

Plan Description. Substantially all employees of the university are members of two statewide, public employee retirement systems. Academic employees are generally members of the Louisiana Teachers Retirement System (TRS), and classified/unclassified state employees are members of the Louisiana State Employees Retirement System (LASERS). Both plans are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. TRS and LASERS provide retirement, disability, and survivors' benefits to plan members and beneficiaries. Benefits granted by the retirement systems are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service. Article 10, Section 29 of the Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual publicly available financial reports that include financial statements and required supplementary information for the systems. The reports may be obtained by writing to the Teachers Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6446, and/or the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (504) 922-0600.

Funding Policy. The contribution requirements of employee plan members and the university are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate equal to the actuarially required employer contribution as set forth in R.S. 11:102. Employees contribute 8 percent (TRS) and 7.5 percent (LASERS) of covered salaries. The state is required to contribute 16.3 percent of covered salaries to TRS and 12.4 percent of covered salaries to LASERS. The university's employer contribution is funded by the State of Louisiana through the annual appropriation to the university. The university's employer contributions to TRS for the years ended June 30, 1997, 1996, and 1995 were \$23,460,182, \$21,702,077, and \$21,192,226, respectively, and to LASERS for the years

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

ended June 30, 1997, 1996, and 1995 were \$20,866,691, \$20,359,383 and \$20,120,854, respectively, equal to the required contributions for each year.

Optional Retirement System

R.S. 11:921 created an optional retirement plan for academic and administrative employees of public institutions of higher education. This program was designed to aid universities in recruiting employees who may not be expected to remain in TRS for 10 or more years. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants.

The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRS and purchase retirement and death benefits through contracts provided by designated companies.

Total contributions by the university are 16.3 percent of the covered payroll. The participant's contribution (8 percent), less any monthly fee required to cover the cost of administration and maintenance of the optional retirement plan, is remitted to the designated company or companies. Upon receipt of the employer's contribution, the TRS pays over to the appropriate company or companies, on behalf of the participant, an amount equal to the employer's portion of the normal cost contribution as determined annually by the actuarial committee. The TRS retains the balance of the employer contribution for application to the unfunded accrued liability of the system. Benefits payable to participants are not the obligations of the State of Louisiana or the TRS. Such benefits and other rights of the optional retirement plan are the liability and responsibility solely of the designated company or companies to whom contributions have been made. Employer and employee contributions to the optional retirement plan totaled \$29,011,577 and \$14,864,522, respectively, for the year ended June 30, 1997.

**7. POSTRETIREMENT HEALTH CARE
AND LIFE INSURANCE BENEFITS**

The university provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the university's employees become eligible for these benefits if they reach normal retirement age while working for the university. These benefits for retirees and similar benefits for active employees are provided through a state-operated group insurance program and various insurance companies whose monthly premiums are paid jointly by the employee and the university. The university recognizes the cost of providing these benefits to retirees (university's portion of premiums) as an expenditure when paid during the year. These retiree benefits totaled \$7,223,432 for the year ended June 30, 1997.

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

**8. CONTINGENT LIABILITIES
AND RISK MANAGEMENT**

At June 30, 1997, the university is contingently liable for \$563,500 as guarantor of mortgage loans on sorority and fraternity houses built on university property. This amount has not been accrued in the accompanying financial statements. Also, the university is involved in numerous lawsuits at June 30, 1997. In the opinion of legal counsel for the university, the ultimate outcome of these lawsuits cannot be determined; however, any losses, with few exceptions, would be fully covered by insurance. Losses arising from judgments, claims, and similar contingencies are paid by either private insurance companies or through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by General Fund appropriation. The university is involved in 579 lawsuits at June 30, 1997, of which 79 lawsuits are handled by contract attorneys. The remainder of the lawsuits are handled by the Office of Risk Management. Of the 79 lawsuits being handled by contract attorneys, the attorneys have estimated a possible liability of \$8,614,700 relating to 15 of the lawsuits. This amount has not been accrued in the accompanying financial statements. The contract attorneys did not estimate a liability for two lawsuits in which the plaintiffs are seeking damages of \$1,419,000.

9. COMPENSATED ABSENCES

At June 30, 1997, employees of the university have accumulated and vested \$39,642,680 of employee annual leave benefits and \$19,966,218 of sick leave benefits, which were computed in accordance with GASB Codification Section C60.105. As previously discussed, the leave payable is not recorded in the accompanying financial statements. If the financial statements were corrected for this departure from generally accepted accounting principles, current funds' liabilities would be increased by \$41,528,610 in the Current Funds - General Fund; \$2,396,533 in the Current Funds - Auxiliary Fund; and \$15,683,755 in the Restricted Fund. Also, the net decrease in fund balance would be increased by \$6,332,172 for the year ended June 30, 1997, and an adjustment to decrease prior year fund balances would be made for \$53,276,726.

10. LEASE OBLIGATIONS

Operating Leases

The annual rental payments for noncancelable operating leases during the next five fiscal years are presented as follows:

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

Nature of Operating Lease	1998	1999	2000	2001	2002	Thereafter
Office space	\$3,584,936	\$3,929,716	\$2,713,322	\$850,086	\$327,365	\$327,367
Equipment	226,145	89,344	42,120	1,000		
Other	34,565	25,806	15,420	8,520	8,520	4,500
Total	<u>\$3,845,646</u>	<u>\$4,044,866</u>	<u>\$2,770,862</u>	<u>\$859,606</u>	<u>\$335,885</u>	<u>\$331,867</u>

Capital Leases

The university records items under capital leases as assets and obligations in the accompanying financial statements. The following is a schedule of future minimum lease payments under capital leases, together with the present value of minimum lease payments at June 30, 1997:

Fiscal year ending June 30:	
1998	\$78,796
1999	31,928
2000	<u>9,783</u>
Total minimum lease payments	120,507
Less - amount representing interest	<u>(9,027)</u>
Present value of net minimum lease payments	<u>\$111,480</u>

11. LONG-TERM DEBT

Notes Payable

The university has entered into a number of installment purchase agreements for the purchase of computer equipment, copiers, vehicles, et cetera. These agreements require scheduled payments either on a monthly or annual basis and have interest rates ranging from zero to 12 percent. The following is a summary of installment notes payable by the university for the year ended June 30, 1997:

Balance at July 1, 1996	\$8,352,866
Installment purchases in 1997	NONE
Installment payments in 1997	<u>(2,168,697)</u>
Installment notes payable at June 30, 1997	<u>\$6,184,169</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)**

The following is a summary of future minimum installment payments as of June 30, 1997:

<u>Year Ending June 30,</u>	
1998	\$2,559,247
1999	1,811,868
2000	1,559,362
2001	851,771
Total minimum installment payments	<u>6,782,248</u>
Less - amount representing interest	<u>(598,079)</u>
Total	<u>\$6,184,169</u>

The majority of the installment purchase agreements have non-appropriation exculpatory clauses that allow for lease cancellation if the Louisiana Legislature does not make an appropriation for its continuation during any future fiscal period.

In addition to the installment purchase agreements, the university entered into loan agreements with the Louisiana Public Facilities Authority (LPFA) on September 1, 1987. Two LPFA loan agreements totaling \$75,000,000 are for the purpose of financing, refinancing, or receiving reimbursement for the costs of various capital facilities. According to terms of the loan agreements, the university was to repay the principal obligation on each agreement on June 1, 1997, and interest on the obligations each May 15 and November 15 from proceeds of the loans placed in special accounts at a commercial bank and invested in United States Treasury obligations. To ensure the credit worthiness of the transaction, the university has obtained bank direct pay letters of credit securing the payment of the principal and interest due under each loan agreement. In addition, the university entered into a reimbursement agreement that requires that the university maintain interest earnings on investments that will ensure cash flow sufficient to liquidate all obligations as they come due. The university made payments of \$75,000,000 during the year and the balance is zero.

The third LPFA loan agreement totaling \$28,500,000 is for financing, refinancing, or reimbursing the cost of facilities; improvements and expansions of the LSU Athletic Department; construction of the Student Recreation Sports Center for Louisiana State University and A&M College - Baton Rouge, improvements for parking and safety at Louisiana State University and A&M College - Baton Rouge, improvements to residential life facilities (\$26,200,000); additions to the parking garage at the LSU Medical Center in New Orleans (\$1,000,000); and building a child care center at the University of New Orleans (\$1,300,000). The loan repayments are payable from the fees, rates, rentals, charges, grants, or other receipts or income derived by or in connection with the facilities, equipment, and improvements. According to terms of the

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

loan agreement, the university is to repay principal and interest on the obligation on the 28th day of each month commencing August 28, 1991. The university made payments during the year totaling \$1,144,583. At June 30, 1997, the outstanding balance is \$23,760,834.

Notes payable totaling \$29,945,003 are reflected on Statement A.

Bonds and Contracts Payable

As presented on Statement A, at June 30, 1997, contracts payable total \$4,388,094, and bonds payable total \$74,412,000.

The following is a summary of changes in bonds and reimbursement contracts payable by the university for the year ended June 30, 1997:

	LSU and A&M College - Baton Rouge	LSU at Alexandria
Bonds and contracts payable at July 1, 1996	\$34,701,719	\$712,000
Bonds and contracts added	33,485,000	
Bonds and contracts retired	<u>(2,322,053)</u>	<u>(75,143)</u>
 Bonds and contracts payable at June 30, 1997	 <u>\$65,864,666</u>	 <u>\$636,857</u>

A detailed summary, by issues, of all bond and reimbursement contract debt outstanding at June 30, 1997, including interest payments of \$50,019,069 for LSU and A&M College - Baton Rouge; \$144,371 for LSU at Alexandria; \$10,233,893 for the University of New Orleans; \$54,897 for LSU in Shreveport; and \$68,950 for the LSU Medical Center follows:

<u>University of New Orleans</u>	<u>LSU in Shreveport</u>	<u>LSU Medical Center</u>	<u>Total</u>
\$1,218,013	\$420,000	\$760,000	\$37,811,732
11,590,000			45,075,000
<u>(1,518,013)</u>	<u>(51,429)</u>	<u>(120,000)</u>	<u>(4,086,638)</u>
<u>\$11,290,000</u>	<u>\$368,571</u>	<u>\$640,000</u>	<u>\$78,800,094</u>

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

Bonds Payable

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding July 1, 1996</u>
LSU and A&M College - Baton Rouge			
Student Housing System Bonds:			
Series 1961	July 1, 1961	\$2,735,000	\$533,000
1963 - Series A	July 1, 1963	1,100,000	225,000
1964:			
Series A	July 1, 1964	900,000	293,000
Series B	July 1, 1964	3,790,000	1,256,000
Building Bonds of 1965:			
Series A	July 1, 1965	950,000	303,000
Series B	July 1, 1965	1,545,000	503,000
Student Housing System Bonds:			
1966:			
Series B	July 1, 1966	2,175,000	825,000
Series C	July 1, 1966	1,250,000	435,000
1968:			
Series A	July 1, 1968	1,725,000	240,000
Series B	July 1, 1968	1,275,000	460,000
1981 - Series A	July 1, 1982	1,241,000	414,000
Auxiliary Revenue Bonds 1994	June 15, 1994	26,290,000	25,435,000
1996 Revenue Bonds	September 5, 1996	33,485,000	
University of New Orleans			
Classroom Building and Fine Arts Building Bonds,			
Series 1976-B	February 1, 1976	3,550,000	1,218,013
Jefferson Center, 1996-A	August 1, 1996	4,485,000	
Revenue Bonds of 1997:			
Series A	January 15, 1997	5,965,000	
Series B	February 5, 1997	1,140,000	
LSU Medical Center			
New Orleans - Building Revenue Bonds of 1962			
	April 1, 1962	2,990,000	760,000
Total Bonds Payable		\$96,591,000	\$32,900,013

<u>Redeemed</u>	<u>Outstanding June 30, 1997</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Interest Outstanding June 30, 1997</u>
\$110,000	\$423,000	1997-2001	3.5%	\$35,069
40,000	185,000	1997-2003	3.5%	16,835
34,000	259,000	1997-2004	3.625%	38,026
140,000	1,116,000	1997-2004	3.625%	166,459
303,000		1997-2005	3%	
55,000	448,000	1997-2005	3%	59,070
75,000	750,000	1997-2006	3%	116,850
40,000	395,000	1997-2006	3%	56,550
120,000	120,000	1997-1998	5.25%	6,300
40,000	420,000	1997-2008	3%	66,750
78,000	336,000	1997-2001	3%	25,590
890,000	24,545,000	1997-2014	4.2 - 5.75%	14,186,009
	33,485,000	1997-2026	4.2 - 5.5%	34,395,375
1,218,013		1997	5.60%	
300,000	4,185,000	1997-2026	4.10 - 5.60%	3,286,920
	5,965,000	1997-2006	3.75 - 5.65%	6,269,766
	1,140,000	1997-2013	5.40 - 6.05%	677,207
120,000	640,000	1997-2002	3.50%	68,950
<u>\$3,563,013</u>	<u>\$74,412,000</u>			<u>\$59,471,726</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

Reimbursement Contracts Payable

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding July 1, 1996</u>
LSU and A&M College - Baton Rouge and Related			
Tiger Stadium Additions Bonds, Series 1976-B	February 1, 1976	\$3,500,000	\$1,200,858
LSU Union Additions Bonds, Series 1984-B	July 31, 1984	2,700,000	1,968,084
Student Recreation Sports Center Bonds, Series 1984-A	April 1, 1984	750,000	446,926
LSU Union Additions Bonds, Series 1983-A	March 1, 1983	300,000	163,851
Building Bonds, Series 1977-C - Alexandria	October 1, 1977	100,000	42,000
Student Union Additions Bonds, Series 1979-B - Alexandria	June 15, 1979	1,410,000	670,000
LSU in Shreveport			
Building Bonds, Series 1977-C	October 1, 1977	1,000,000	420,000
Total Reimbursement Contracts Payable		\$9,760,000	\$4,911,719

The annual requirements to amortize all bonds and reimbursement contracts outstanding at June 30, 1997, including interest of \$60,521,180, are as follows:

<u>Fiscal Year</u>	<u>LSU and A&M College - Baton Rouge and Related</u>	<u>University of New Orleans</u>	<u>LSU in Shreveport</u>	<u>LSU Medical Center</u>	<u>Total</u>
1998	\$5,720,658	\$1,046,248	\$70,504	\$142,400	\$6,979,810
1999	6,173,297	1,047,310	70,714	138,200	7,429,521
2000	6,183,270	1,057,130	70,789	144,000	7,455,189
2001	6,158,146	1,055,018	70,729	139,450	7,423,343
2002	5,666,601	756,518	70,532	144,900	6,638,551
Subsequent years	86,762,989	16,561,672	70,199		103,394,860
Total	\$116,664,961	\$21,523,896	\$423,467	\$708,950	\$139,321,274

<u>Redeemed</u>	<u>Outstanding June 30, 1997</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Interest Outstanding June 30, 1997</u>
\$210,460	\$990,398	1997-2001	5.6%	\$143,112
127,386	1,840,698	1997-2004	4.67 - 6.01%	495,890
41,264	405,662	1997-2004	9.3 - 9.5%	166,657
17,943	145,908	1997-2003	8.125 - 8.2%	44,520
5,143	36,857	1997-2003	4.70 - 4.75%	5,491
70,000	600,000	1997-2004	5.375 - 5.5%	138,875
<u>51,429</u>	<u>368,571</u>	1997-2002	4.70 - 4.75%	<u>54,897</u>
<u><u>\$523,625</u></u>	<u><u>\$4,388,094</u></u>			<u><u>\$1,049,442</u></u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

The following is a summary of the debt service reserve requirements of the various bond issues at June 30, 1997:

<u>Bond Issue</u>	<u>Cash/ Investment Reserves Available</u>	<u>Reserve Requirement</u>	<u>Difference</u>
Auxiliary Plant:			
LSU and A&M College - Baton Rouge	\$8,146,145	\$8,146,145	
LSU at Alexandria	111,859	111,859	
University of New Orleans	563,726	563,726	
LSU in Shreveport	69,593	69,593	
LSU Medical Center	297,000	297,000	
Total	<u>\$9,188,323</u>	<u>\$9,188,323</u>	<u>NONE</u>
Educational Plant - University of New Orleans	<u>\$458,994</u>	<u>\$458,994</u>	<u>NONE</u>

The LSU Medical Center's 1962 Building Revenue Bond agreement requires that, after all payments have been made to the Bond and Interest Sinking Fund Account, a sum of \$20,000 per annum, or available portion thereof, be transferred to the Repair and Replacement Reserve Account until the reserve in that account totals \$200,000. At June 30, 1997, the Repair and Replacement Reserve Account has a balance of \$20,000. For the prior year ended June 30, 1996, the Repair and Replacement Reserve Account had a zero balance. According to the terms of the 1962 Building Revenue Bonds agreement, the reserves can be used for repairs, renewals and replacements, and renovations that are not paid as part of the ordinary and normal operating expenses.

12. DUE TO STATE TREASURY

As shown on Statement A, the General Fund has a total of \$47,307 due to the state treasury at June 30, 1997. This amount, after adjustment, should be remitted to the state treasury.

13. RESERVATIONS OF FUND BALANCES

Reservations of fund balances at June 30, 1997, as shown on Statement A, are summarized as follows:

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

	Reserved for		Bond	Total
	Encumbrances	Inventories	Indentures	
Current Funds:				
General		\$11,300,461		\$11,300,461
Auxiliary Enterprises	\$2,739,048			2,739,048
Restricted	14,868,001	271,043		15,139,044
Plant Funds:				
Unexpended	4,405,992			4,405,992
Renewals and Replacements	143,649			143,649
Retirement of Indebtedness			\$9,667,317	9,667,317
Total	\$22,156,690	\$11,571,504	\$9,667,317	\$43,395,511

LSU Board of Supervisors and System Administration, Pennington Biomedical Research Center, LSU and A&M College - Baton Rouge, LSU at Alexandria, LSU at Eunice, Paul M. Hebert Law Center, and LSU Agricultural Center have reserved fund balances of \$2,152,507 in the Restricted Fund for encumbrances outstanding at June 30, 1997. Additional encumbrances of Pennington Biomedical Research Center, LSU A&M College - Baton Rouge, LSU at Alexandria, LSU at Eunice, and LSU Agricultural Center totaling \$6,496,942 were outstanding at year-end for restricted state and federal grants and contracts. Under these agreements, reimbursement is provided by the grantor after expenditures occur and the related encumbrances are liquidated. A reservation of fund balances has not been established for such encumbrances.

14. STUDENT LOAN FUNDS

The fund balances of the student loan funds at June 30, 1997, are as follows:

	Perkins Loan Fund	Health Professions	Miscellaneous Other Loans	Total
LSU and A&M College - Baton Rouge	\$13,108,110	\$66,322	\$234,925	\$13,409,357
LSU at Alexandria			7,574	7,574
LSU at Eunice	503,378		14,855	518,233
University of New Orleans	4,654,033		43,823	4,697,856
LSU in Shreveport			350	350
LSU Medical Center	3,446,810	8,316,369	593,269	12,356,448
Total	\$21,712,331	\$8,382,691	\$894,796	\$30,989,818

15. PLANT FUNDS

In August 1987, the Financial Accounting Standards Board (FASB) issued Statement No. 93, *Recognition of Depreciation by Not-for-Profit Organizations*, which requires not-for-profit organizations, including colleges and universities, to recognize depreciation of their long-lived tangible assets in their financial statements. In January 1988, the GASB issued Statement No. 8, which addresses the implementation of FASB Statement No. 93. Codification of Governmental Accounting and Financial Reporting Standards Section Co5.102 states that

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

"Colleges and universities that follow the AICPA Industry Audit Guide, *Audits of Colleges and Universities*, should not change their accounting and reporting for depreciation of capital assets as a result of FASB Statement No. 93; the GASB has several projects under way that may affect that reporting." As reflected in note 1-D, depreciation is not currently recognized by the university.

Physical plant facilities acquired before June 30, 1939, were valued based on estimated building costs. Subsequent additions to physical plant and equipment are stated at cost at the date of acquisition, estimated cost if actual cost is not known, fair market value at the date of donation in the case of gifts, or market value for livestock. Estimated costs of physical plant facilities constitute an immaterial portion of total value of plant facilities. A summary of investment in plant follows:

	LSU Board of Supervisors and System Administration	Pennington Biomedical Research Center	LSU and A&M College - Baton Rouge	LSU at Alexandria	LSU at Eunice
Land and improvements			\$23,125,765	\$2,275,450	\$377,609
Buildings	\$1,734,226		375,477,045	11,664,216	16,651,936
Equipment	847,751	\$16,099,545	240,511,742	4,741,212	2,755,290
Library books	21,886		72,726,410	3,160,023	1,344,535
Livestock			106,213		
Total	\$2,603,863	\$16,099,545	\$711,947,175	\$21,840,901	\$21,129,370

In accordance with R.S. 39:321-332, the Louisiana State University System, except for the LSU Baton Rouge and University of New Orleans campuses, has complied with the Louisiana movable property statutes.

**16. INTERAGENCY TRANSFER TO THE OFFICE
OF FACILITY PLANNING AND CONTROL**

As shown on Statement B, transfers to the Office of Facility Planning and Control of \$7,290,146 were made during the year to finance renovation or construction projects. The University of New Orleans transferred \$115,957 to finance an automatic sprinkler system for Bienville Hall. In addition, the LSU Medical Center transferred \$7,174,189 to finance various renovation or construction projects.

Paul M. Hebert Law Center	LSU Agricultural Center	University of New Orleans	LSU in Shreveport	LSU Medical Center	Total
	\$3,499,109	\$52,427,821	\$3,663,619	\$19,330,020	\$104,699,393
\$5,726,373	16,661,067	143,795,116	36,387,360	286,698,550	894,795,889
1,960,544	16,135,043	46,839,067	8,836,706	183,870,414	522,597,314
2,930,691		21,712,916	5,084,239	21,242,622	128,223,322
					106,213
\$10,617,608	\$36,295,219	\$264,774,920	\$53,971,924	\$511,141,606	\$1,650,422,131

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)**

17. AUXILIARY ENTERPRISES

The university maintains various auxiliary enterprise funds that provide services to the university community. Segment information for the year ended June 30, 1997, follows:

	<u>Food Services</u>	<u>Housing</u>	<u>Bookstore</u>
Net increase (decrease) in fund balances	\$214,802	\$492,307	\$470,729
Net income (loss)	400,451	1,590,728	831,152
Net assets	750,027	3,340,486	9,295,535
Outstanding principal and interest on debt	474,454	53,136,639	
Annual principal and interest on debt	370,058	2,193,728	

18. FOUNDATIONS

The accompanying financial statements do not include the accounts of the following foundations:

- Louisiana State University System Foundation
- Pennington Biomedical Research Foundation
- Tiger Athletic Foundation - LSU and A&M College - Baton Rouge
- LSU Alumni Association
- LSU Alexandria Foundation
- LSU Eunice Foundation
- LSU Law Alumni Association
- University of New Orleans Foundation
- UNO Athletic Foundation
- UNO Alumni Association
- LSU in Shreveport Foundation
- LSU Alumni in Shreveport Association
- Louisiana State University Medical Center Foundation
- LSU Medical School Alumni Association
- LSU School of Dentistry Alumni Association
- LSU School of Nursing Alumni Association
- Biomedical Research Foundation of Northwest Louisiana

These foundations are separate corporations whose financial statements are subject to audit by independent certified public accountants.

<u>Athletics</u>	<u>Student Center</u>	<u>Others</u>	<u>Total</u>
(\$678,111)	(\$489,220)	\$129,527	\$140,034
1,348,485	(66,568)	815,071	4,919,319
214,837	(1,102,731)	5,647,661	18,145,815
32,727,985	3,731,706	2,017,599	92,088,383
1,711,796	450,526	142,962	4,869,070

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**
Notes to the Financial Statements (Concluded)

19. DEFERRED COMPENSATION PLAN

Certain employees of the university participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

20. SUBSEQUENT EVENTS

Effective July 1, 1997, the Louisiana Legislature transferred the state's nine public hospitals from the Louisiana Health Care Authority (LHCA) to the Louisiana State University's Board of Supervisors through Act 3 of the 1997 Regular Legislative Session. Section 1519.2 of the Act provides that the hospitals and administrative personnel responsible for the operation of the hospitals will comprise the Health Care Services Division of the Louisiana State University Medical Center, subject to the overall direction, supervision, and management of the university's Board of Supervisors. Act 18 of the 1997 Regular Legislative Session included General Fund appropriations of \$754,636,600 for the Health Care Services Division for general operations for the year ending June 30, 1998.

The Board of Supervisors of Louisiana State University Agricultural and Mechanical College issued \$6,500,000 of Auxiliary Revenue Bonds (Louisiana State University and A&M College - Baton Rouge) Series 1997 dated December 3, 1997. The bond proceeds will be used to renovate and expand the golf course and related facilities, resurface the athletic track, and resurface the indoor football practice field. Revenues from the operation of the related auxiliaries are pledged to finance debt service.

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended June 30, 1997**

The following supplemental information schedules present the Balance Sheets; Schedules of Changes in Fund Balances; and Schedules of Revenues, Expenditures, and Other Changes - Current Funds for the LSU Board of Supervisors and System Administration, the Pennington Biomedical Research Center, the LSU and A&M College - Baton Rouge Campus, the LSU at Alexandria Campus, the LSU at Eunice Campus, the Paul M. Hebert Law Center, the LSU Agricultural Center, the University of New Orleans Campus, the LSU in Shreveport Campus, and the LSU Medical Center.

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU BOARD OF SUPERVISORS AND
SYSTEM ADMINISTRATION**

Balance Sheet, All Funds, June 30, 1997

	CURRENT FUNDS		PLANT FUNDS		TOTAL (MEMORANDUM ONLY)
	GENERAL	RESTRICTED	UNEXPENDED	INVESTMENT IN PLANT	
ASSETS					
Cash and cash equivalents	\$336,920	\$480,550			\$817,470
Accounts receivable	203,921				203,921
Deferred charges and prepaid expenses	3,650				3,650
Institutional plant				\$2,603,863	2,603,863
TOTAL ASSETS	\$544,491	\$480,550	NONE	\$2,603,863	\$3,628,904
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$76,417	\$307			\$76,724
Accrued liabilities	15,142	931			16,073
Deferred revenue	452,932				452,932
Total Liabilities	544,491	1,238	NONE	NONE	545,729
Fund Equity:					
Net investment in plant				\$2,603,863	2,603,863
Fund balances:					
Reserved		36,632			36,632
Current operations - restricted		442,680			442,680
Total Fund Equity	NONE	479,312	NONE	2,603,863	3,083,175
TOTAL LIABILITIES AND FUND EQUITY	\$544,491	\$480,550	NONE	\$2,603,863	\$3,628,904

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU BOARD OF SUPERVISORS AND
SYSTEM ADMINISTRATION**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1997**

	CURRENT FUNDS		PLANT FUNDS		TOTAL
	GENERAL	RESTRICTED	UNEXPENDED	IN PLANT	
Revenues and other additions:					
Unrestricted current fund revenues	\$2,722,263				\$2,722,263
Investment income - restricted		\$96,276			96,276
Additions to plant facilities				\$455,142	455,142
Other sources		42,311			42,311
Total revenues and other additions	<u>2,722,263</u>	<u>138,587</u>	<u>NONE</u>	<u>455,142</u>	<u>3,315,992</u>
Expenditures and other deductions:					
Educational and general	2,722,263	110,174			2,832,437
Expended for plant facilities			\$9,321		9,321
Disposal of plant facilities				40,916	40,916
Total expenditures and other deductions	<u>2,722,263</u>	<u>110,174</u>	<u>9,321</u>	<u>40,916</u>	<u>2,882,674</u>
Transfers among funds - additions (deductions) - nonmandatory - capital improvements	<u>NONE</u>	<u>(852)</u>	<u>852</u>	<u>NONE</u>	<u>NONE</u>
Net increase (decrease) for the year	NONE	27,561	(8,469)	414,226	433,318
Fund balances at beginning of year	<u>NONE</u>	<u>451,751</u>	<u>8,469</u>	<u>2,189,637</u>	<u>2,649,857</u>
Fund balances at end of year	<u>NONE</u>	<u>\$479,312</u>	<u>NONE</u>	<u>\$2,603,863</u>	<u>\$3,083,175</u>

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU BOARD OF SUPERVISORS AND
SYSTEM ADMINISTRATION
CURRENT FUNDS**

**Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1997**

	<u>GENERAL</u>	<u>RESTRICTED</u>
Revenues:		
State appropriations	\$2,722,263	
Private gifts, grants, and contracts		\$2,000
Investment income		78,852
Other sources		30,174
Total revenues	<u>2,722,263</u>	<u>111,026</u>
Expenditures and transfers:		
Academic support	97,084	
Student services	12,301	
Institutional support	2,150,773	108,574
Operations and maintenance of plant	462,105	
Scholarships and fellowships		1,600
Total educational and general expenditures	<u>2,722,263</u>	<u>110,174</u>
Nonmandatory transfers - capital improvements		852
Total expenditures and transfers	<u>2,722,263</u>	<u>111,026</u>
Other additions - excess of restricted receipts over transfers to revenues		<u>27,561</u>
Net increase in fund balances	<u>NONE</u>	<u>\$27,561</u>

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
PENNINGTON BIOMEDICAL RESEARCH CENTER**

Balance Sheet, All Funds, June 30, 1996

	CURRENT FUNDS		ENDOWMENT FUNDS	PLANT FUND -	AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
	GENERAL	RESTRICTED		IN PLANT		
ASSETS						
Cash and cash equivalents	\$86,154	\$1,387,959			\$172	\$1,474,285
Accounts receivable	23,016	957,417				980,433
Due from private foundation		3,984	\$1,339,091			1,343,075
Deferred charges and prepaid expenses	2,678	2,277				4,955
Institutional plant				\$16,099,545		16,099,545
TOTAL ASSETS	\$111,848	\$2,351,637	\$1,339,091	\$16,099,545	\$172	\$19,902,293
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$80,389	\$39				\$80,428
Accrued liabilities	31,459	53,294				84,753
Deposits held for others					\$172	172
Deferred revenues		13,659				13,659
Total Liabilities	111,848	66,992	NONE	NONE	172	179,012
Fund Equity:						
Net investment in plant				\$16,099,545		16,099,545
Fund balances:						
Reserved		279,824				279,824
Current operations - restricted		2,004,821				2,004,821
Noncurrent operations - endowment			\$1,339,091			1,339,091
Total Fund Equity	NONE	2,284,645	1,339,091	16,099,545	NONE	19,723,281
TOTAL LIABILITIES AND FUND EQUITY	\$111,848	\$2,351,637	\$1,339,091	\$16,099,545	\$172	\$19,902,293

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
PENNINGTON BIOMEDICAL RESEARCH CENTER
CURRENT FUNDS**

**Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1997**

	<u>GENERAL</u>	<u>RESTRICTED</u>
Revenues:		
State appropriations	\$4,978,073	
Federal grants and contracts		\$5,172,604
State grants and contracts		203,048
Private gifts, grants, and contracts		1,574,517
Sales and services of educational departments	9,278	8,042
Investment income		143,514
Other sources	761,147	1,906,435
Total revenues	<u>5,748,498</u>	<u>9,008,160</u>
Expenditures and transfers - educational and general:		
Research	1,737,560	8,010,195
Public service		209,367
Academic support	836,121	361,193
Institutional support	1,370,414	315,647
Operations and maintenance of plant	1,804,403	80,208
Scholarships and fellowships		31,550
Total educational and general expenditures	<u>5,748,498</u>	<u>9,008,160</u>
Other additions (deductions):		
Excess of restricted receipts over transfers to revenues		1,000,970
Other		<u>(2,073,381)</u>
Net decrease in fund balances	<u>NONE</u>	<u>(\$1,072,411)</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AND A&M COLLEGE - BATON ROUGE**

Balance Sheet, All Funds, June 30, 1997

	CURRENT FUNDS			STUDENT LOAN FUNDS	ENDOWMENT FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED		
ASSETS					
Cash and cash equivalents	\$21,461,742	\$5,740,367	\$12,468,433	\$1,775,316	\$4,865,382
Investments	8,450,000	1,099,765			1,909,662
Accrued interest	120,372	51,940	313,336		
Accounts receivable	5,913,146	3,952,339	16,067,782		
Due from state General Fund					
Notes receivable				11,820,997	
Due from private foundation			1,756,693		12,020,400
Due from other funds		8,891			
Deferred charges and prepaid expenses	1,424,718	179,905	1,472,741		
Inventories	152,379	5,604,146			
Institutional plant					
Other assets					1,136,168
TOTAL ASSETS	\$37,522,357	\$16,637,353	\$32,078,985	\$13,596,313	\$19,931,612
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$3,212,391	\$1,328,125	\$42,586	\$93,121	
Accrued liabilities	2,517,096	372,704	250,981		
Due to state treasury	35,027				
Due to other funds					\$1,623,382
Due to other campuses	23,931,605				
Deposits held for others	597,011	642,624		93,835	
Deferred revenues	7,076,848	9,550,524	174,901		
Notes payable					
Contracts payable					
Bonds payable					
Total Liabilities	37,369,978	11,891,977	468,468	186,956	1,623,382
Fund Equity:					
Net investment in plant					
Fund balances:					
Reserved	152,379	2,015,708	1,443,689		
Current operations - restricted		2,729,668	30,166,828		
Noncurrent operations:					
Restricted				13,409,357	
Endowment					14,736,421
Term endowment					814,449
Quasi-endowment - restricted					2,757,360
Total Fund Equity	152,379	4,745,376	31,610,517	13,409,357	18,308,230
TOTAL LIABILITIES AND FUND EQUITY	\$37,522,357	\$16,637,353	\$32,078,985	\$13,596,313	\$19,931,612

Schedule 7

UNEXPENDED	PLANT FUNDS		INVESTMENT IN PLANT	AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS			
\$9,704,241	\$4,340,881	\$97,695		\$170,266	\$60,624,323
25,445,710		7,456,358			44,361,495
3,222					488,870
74,670				390	26,008,327
		600,983			600,983
					11,820,997
					13,777,093
					8,891
					3,077,364
					5,756,525
			\$711,947,175		711,947,175
					1,136,168
<u>\$35,227,843</u>	<u>\$4,340,881</u>	<u>\$8,155,036</u>	<u>\$711,947,175</u>	<u>\$170,656</u>	<u>\$879,608,211</u>
\$109,040				\$5	\$4,783,268
					3,140,781
					35,027
		\$8,891			1,632,273
					23,931,605
				170,651	1,504,121
					16,802,273
			\$26,867,766		26,867,766
			3,382,666		3,382,666
			62,482,000		62,482,000
<u>109,040</u>	<u>NONE</u>	<u>8,891</u>	<u>92,732,432</u>	<u>170,656</u>	<u>144,561,780</u>
			619,214,743		619,214,743
2,025,264	\$118,308	8,146,145			13,901,493
					32,896,496
33,093,539	4,222,573				50,725,469
					14,736,421
					814,449
					2,757,360
<u>35,118,803</u>	<u>4,340,881</u>	<u>8,146,145</u>	<u>619,214,743</u>	<u>NONE</u>	<u>735,046,431</u>
<u>\$35,227,843</u>	<u>\$4,340,881</u>	<u>\$8,155,036</u>	<u>\$711,947,175</u>	<u>\$170,656</u>	<u>\$879,608,211</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AND A&M COLLEGE - BATON ROUGE**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1997**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$226,521,696	\$84,919,976		
Tuition and fees - restricted			\$6,655,636	
State grants and contracts - restricted			18,682,396	
Federal grants and contracts - restricted			42,011,900	
Private gifts, grants, and contracts - restricted			11,828,375	
Investment income - restricted			826,098	\$187,824
Interest on loans receivable				300,324
Sales and services			1,570,644	
State funded endowments				
Endowment income			879,299	
Additions to plant facilities				
Retirement of indebtedness				
Other sources			9,049,405	153,489
Total revenues and other additions	226,521,696	84,919,976	91,503,753	641,637
Expenditures and other deductions:				
Educational and general	226,451,634		73,400,135	
Auxiliary enterprises		75,753,434		
Indirect costs recovered			8,085,867	
Loan cancellations and write-offs				114,378
Expended for plant facilities				
Retirement of indebtedness				
Interest on indebtedness				
Disposal of plant facilities				
Other		936,793		132,805
Total expenditures and other deductions	226,451,634	76,690,227	81,486,002	247,183
Transfers among funds - additions (deductions):				
Mandatory:				
Principal and interest		(2,795,212)	(3,142,176)	
Loan fund matching grants	(31,879)			31,879
Nonmandatory:				
Capital improvements	(38,183)	(4,219,391)	(2,394,822)	
Renewals and replacements		(1,648,128)		
Other		(348,182)	316,382	
Total transfers among funds	(70,062)	(9,010,913)	(5,220,616)	31,879
Inventory increase	5,471	NONE	NONE	NONE
Net increase (decrease) for the year	5,471	(781,164)	4,797,135	426,333
Fund balances at beginning of year	146,908	5,526,540	26,813,382	12,983,024
Fund balances at end of year	\$152,379	\$4,745,376	\$31,610,517	\$13,409,357

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
					\$311,441,672
					6,655,636
					18,682,396
					42,011,900
\$600					11,828,975
	\$486,534				1,500,456
					300,324
					1,570,644
600,000					600,000
281,566					1,140,865
				\$26,794,883	26,794,883
				3,374,267	3,374,267
503,781	27,302,333		\$4,983,934	1,875,966	43,868,908
1,365,947	27,788,867	NONE	4,983,934	32,045,116	469,770,926
					299,851,769
					75,753,434
					8,085,867
					114,378
	12,460,444				12,460,444
			3,374,267		3,374,267
			3,237,375		3,237,375
				13,698,872	13,698,872
322,298		\$885,181	2,957	33,485,000	35,765,034
322,298	12,460,444	885,181	6,614,599	47,183,872	452,341,440
			5,937,388		
	6,823,013	(170,617)			
		1,648,128			
4,900		26,900			
4,900	6,823,013	1,504,411	5,937,388	NONE	NONE
NONE	NONE	NONE	NONE	NONE	5,471
1,048,549	22,151,436	619,230	4,306,723	(15,138,756)	17,434,957
17,259,681	12,967,367	3,721,651	3,839,422	634,353,499	717,611,474
\$18,308,230	\$35,118,803	\$4,340,881	\$8,146,145	\$619,214,743	\$735,046,431

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AND A&M COLLEGE - BATON ROUGE
CURRENT FUNDS**

**Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1997**

	<u>GENERAL</u>	<u>AUXILIARY ENTERPRISES</u>	<u>RESTRICTED</u>
Revenues:			
Tuition and fees	\$79,047,532		\$5,989,729
State appropriations	131,549,286		
Federal grants and contracts			34,312,817
State grants and contracts			17,783,783
Private gifts, grants, and contracts			10,819,298
Sales and services of educational departments	5,198,752		935,415
Sales and services of auxiliary departments		\$84,919,976	
Endowment income			720,389
Investment income	2,299,421		260,727
Other sources	8,426,705		8,119,875
Total revenues	<u>226,521,696</u>	<u>84,919,976</u>	<u>78,942,033</u>
Expenditures and transfers:			
Educational and general:			
Instruction	104,633,255		13,827,430
Research	26,660,554		37,015,808
Public service	2,137,384		5,952,956
Academic support	29,299,929		1,403,331
Student services	5,436,151		1,684,975
Institutional support	20,570,434		2,563,716
Operations and maintenance of plant	22,034,290		351,282
Scholarships and fellowships	15,679,637		10,600,637
Total educational and general expenditures	<u>226,451,634</u>	NONE	<u>73,400,135</u>
Mandatory transfers for:			
Principal and interest		2,795,212	3,142,176
Loan fund matching grants	31,879		
Nonmandatory transfers for:			
Capital improvements	38,183	4,219,391	2,394,822
Renewals and replacements		1,648,128	
Other		348,182	(316,382)
Auxiliary enterprises expenditures		<u>75,753,434</u>	
Total expenditures and transfers	<u>226,521,696</u>	<u>84,764,347</u>	<u>78,620,751</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			12,561,720
Inventory increase	5,471		
Other		(936,793)	(8,085,867)
Net increase (decrease) in fund balances	<u>\$5,471</u>	<u>(\$781,164)</u>	<u>\$4,797,135</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AT ALEXANDRIA**

Balance Sheet, All Funds, June 30, 1997

	CURRENT FUNDS			STUDENT LOAN FUNDS	ENDOWMENT FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED		
ASSETS					
Cash and cash equivalents	\$331,932	\$1,617,710	\$161,078	\$7,574	\$15,218
Accounts receivable	110,701		261,853		
Due from state General Fund					
Due from private foundation			11,521		207,654
Deferred charges and prepaid expenses	4,350				
Inventories		312,316			
Institutional plant					
TOTAL ASSETS	\$446,983	\$1,930,026	\$434,452	\$7,574	\$222,872
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$63,428	\$9,383	\$374		
Accrued liabilities	162,847	4,960	3,479		
Deposits held for others					
Deferred revenues	220,708	24,677	6,689		
Contracts payable					
Total Liabilities	446,983	39,020	10,542	NONE	NONE
Fund Equity:					
Net investment in plant					
Fund balances:					
Reserved		49,557	5,229		
Current operations - restricted		1,841,449	418,681		
Noncurrent operations:					
Restricted				\$7,574	
Endowment					\$207,654
Quasi-endowment - restricted					15,218
Total Fund Equity	NONE	1,891,006	423,910	7,574	222,872
TOTAL LIABILITIES AND FUND EQUITY	\$446,983	\$1,930,026	\$434,452	\$7,574	\$222,872

UNEXPENDED	PLANT FUNDS			AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT		
\$209,870	\$137,172			\$16,605	\$2,497,159
		\$111,859			372,554
					111,859
					219,175
					4,350
					312,316
			\$21,840,901		21,840,901
<u>\$209,870</u>	<u>\$137,172</u>	<u>\$111,859</u>	<u>\$21,840,901</u>	<u>\$16,605</u>	<u>\$25,358,314</u>
\$147,792					\$220,977
					171,286
				\$16,605	16,605
					252,074
			\$636,857		636,857
<u>147,792</u>	<u>NONE</u>	<u>NONE</u>	<u>636,857</u>	<u>16,605</u>	<u>1,297,799</u>
			21,204,044		21,204,044
11,807		\$111,859			178,452
					2,260,130
50,271	\$137,172				195,017
					207,654
					15,218
<u>62,078</u>	<u>137,172</u>	<u>111,859</u>	<u>21,204,044</u>	<u>NONE</u>	<u>24,060,515</u>
<u>\$209,870</u>	<u>\$137,172</u>	<u>\$111,859</u>	<u>\$21,840,901</u>	<u>\$16,605</u>	<u>\$25,358,314</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AT ALEXANDRIA**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1997**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$7,662,531	\$1,395,554		
Tuition and fees - restricted			\$37,932	
State grants and contracts - restricted			312,221	
Federal grants and contracts - restricted			1,494,153	
Private gifts, grants, and contracts - restricted			332,640	
Investment income - restricted				\$223
Sales and services			3,080	
State funded endowments				
Endowment income			13,979	
Additions to plant facilities				
Retirement of indebtedness				
Other sources			16,898	
Total revenues and other additions	<u>7,662,531</u>	<u>1,395,554</u>	<u>2,210,903</u>	<u>223</u>
Expenditures and other deductions:				
Educational and general	7,658,304		2,174,377	
Auxiliary enterprises		1,120,579		
Indirect costs recovered			43,462	
Expended for plant facilities				
Retirement of indebtedness				
Interest on indebtedness				
Disposal of plant facilities				
Other		17,237		
Total expenditures and other deductions	<u>7,658,304</u>	<u>1,137,816</u>	<u>2,217,839</u>	<u>NONE</u>
Transfers among funds - additions (deductions):				
Mandatory - principal and interest		(113,796)		
Nonmandatory:				
Capital improvements	(4,227)	(287,785)		
Renewals and replacements		(17,460)		
Total transfers among funds	<u>(4,227)</u>	<u>(419,041)</u>	<u>NONE</u>	<u>NONE</u>
Net increase (decrease) for the year	NONE	(161,303)	(6,936)	223
Fund balances at beginning of year	NONE	2,052,309	430,846	7,351
Fund balances at end of year	<u>NONE</u>	<u>\$1,891,006</u>	<u>\$423,910</u>	<u>\$7,574</u>

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
					\$9,058,085
					37,932
					312,221
					1,494,153
					332,640
					223
					3,080
\$40,000					40,000
4,418					18,397
				\$879,154	879,154
				75,143	75,143
					16,898
<u>44,418</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>954,297</u>	<u>12,267,926</u>
					9,832,681
					1,120,579
					43,462
	\$276,079				276,079
			\$75,143		75,143
			38,653		38,653
				91,362	91,362
		\$4,480			21,717
<u>NONE</u>	<u>276,079</u>	<u>4,480</u>	<u>113,796</u>	<u>91,362</u>	<u>11,499,676</u>
			113,796		
	292,012				
		17,460			
<u>NONE</u>	<u>292,012</u>	<u>17,460</u>	<u>113,796</u>	<u>NONE</u>	<u>NONE</u>
44,418	15,933	12,980	NONE	862,935	768,250
178,454	46,145	124,192	111,859	20,341,109	23,292,265
<u>\$222,872</u>	<u>\$62,078</u>	<u>\$137,172</u>	<u>\$111,859</u>	<u>\$21,204,044</u>	<u>\$24,060,515</u>

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AT ALEXANDRIA
CURRENT FUNDS**

**Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1997**

	<u>GENERAL</u>	<u>AUXILIARY ENTERPRISES</u>	<u>RESTRICTED</u>
Revenues:			
Tuition and fees	\$2,185,581		\$48,627
State appropriations	5,213,263		
Federal grants and contracts			1,482,746
State grants and contracts			309,264
Private gifts, grants, and contracts			325,473
Sales and services of educational departments	21,221		
Sales and services of auxiliary departments		\$1,395,554	
Endowment income			6,157
Other sources	242,466		2,110
Total revenues	<u>7,662,531</u>	<u>1,395,554</u>	<u>2,174,377</u>
Expenditures and transfers:			
Educational and general:			
Instruction	4,117,253		456,944
Public service			33,407
Academic support	438,584		40,553
Student services	593,317		85,269
Institutional support	1,388,837		28,409
Operations and maintenance of plant	1,039,285		5,454
Scholarships and fellowships	81,028		1,524,341
Total educational and general expenditures	<u>7,658,304</u>	NONE	<u>2,174,377</u>
Mandatory transfers - principal and interest		113,796	
Nonmandatory transfers for:			
Capital improvements	4,227	287,785	
Renewals and replacements		17,460	
Auxiliary enterprises expenditures		1,120,579	
Total expenditures and transfers	<u>7,662,531</u>	<u>1,539,620</u>	<u>2,174,377</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			36,526
Other		(17,237)	(43,462)
Net decrease in fund balances	<u>NONE</u>	<u>(\$161,303)</u>	<u>(\$6,936)</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AT EUNICE**

Balance Sheet, All Funds, June 30, 1997

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
ASSETS				
Cash and cash equivalents	\$328,973	\$1,169,250	\$274,646	\$39,655
Accounts receivable	90,878	34	211,733	
Notes receivable				478,578
Due from private foundation			16,746	
Inventories		244,674		
Deferred charges and prepaid expenses	7,762			
Institutional plant				
TOTAL ASSETS	\$427,613	\$1,413,958	\$503,125	\$518,233
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$55,121	\$7,719	\$269	
Accrued liabilities	138,569	3,469	9,862	
Deposits held for others				
Deferred revenues	233,923	14,458	1,803	
Total Liabilities	427,613	25,646	11,934	NONE
Fund Equity:				
Net investment in plant				
Fund balances:				
Reserved		13,394	1,438	
Current operations - restricted		1,374,918	489,753	
Noncurrent operations:				
Restricted				\$518,233
Endowment				
Total Fund Equity	NONE	1,388,312	491,191	518,233
TOTAL LIABILITIES AND FUND EQUITY	\$427,613	\$1,413,958	\$503,125	\$518,233

ENDOWMENT FUNDS	PLANT FUNDS			AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
	UNEXPENDED	RENEWALS AND REPLACEMENTS	INVESTMENT IN PLANT		
\$12,000	\$20,043	\$153,876		\$5,229	\$2,003,672
					302,645
					478,578
125,386					142,132
					244,674
					7,762
			\$21,129,370		21,129,370
<u>\$137,386</u>	<u>\$20,043</u>	<u>\$153,876</u>	<u>\$21,129,370</u>	<u>\$5,229</u>	<u>\$24,308,833</u>
					\$63,109
					151,900
				\$5,229	5,229
					250,184
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>5,229</u>	<u>470,422</u>
			\$21,129,370		21,129,370
					14,832
					1,864,671
	\$20,043	\$153,876			692,152
<u>\$137,386</u>					<u>137,386</u>
<u>137,386</u>	<u>20,043</u>	<u>153,876</u>	<u>21,129,370</u>	<u>NONE</u>	<u>23,838,411</u>
<u>\$137,386</u>	<u>\$20,043</u>	<u>\$153,876</u>	<u>\$21,129,370</u>	<u>\$5,229</u>	<u>\$24,308,833</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AT EUNICE**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1997**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$6,711,111	\$1,253,842		
Tuition and fees - restricted			\$74,516	
State grants and contracts - restricted			410,690	
Federal grants and contracts - restricted			2,623,478	
Private gifts, grants, and contracts - restricted			59,972	
Sales and services			50	
Investment income - restricted				\$10,764
Interest on loans receivable				5,505
Endowment income			7,775	
Additions to plant facilities				
Other sources			34,069	23,259
<i>Total revenues and other additions</i>	<u>6,711,111</u>	<u>1,253,842</u>	<u>3,210,550</u>	<u>39,528</u>
Expenditures and other deductions:				
Educational and general	6,703,659		3,244,023	
Auxiliary enterprises		971,258		
Indirect costs recovered			51,555	
Loan cancellations and write-offs				3,491
Disposal of plant facilities				
Other		6,154		13,076
<i>Total expenditures and other deductions</i>	<u>6,703,659</u>	<u>977,412</u>	<u>3,295,578</u>	<u>16,567</u>
Transfers among funds - additions (deductions):				
Mandatory - loan fund matching	(7,452)			7,452
Nonmandatory - renewals and replacements		(13,956)		
<i>Total transfers among funds</i>	<u>(7,452)</u>	<u>(13,956)</u>	<u>NONE</u>	<u>7,452</u>
Net increase (decrease) for the year	NONE	262,474	(85,028)	30,413
Fund balances at beginning of year	NONE	1,125,838	576,219	487,820
Fund balances at end of year	<u>NONE</u>	<u>\$1,388,312</u>	<u>\$491,191</u>	<u>\$518,233</u>

ENDOWMENT FUNDS	PLANT FUNDS			TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	INVESTMENT IN PLANT	
				\$7,964,953
				74,516
				410,690
				2,623,478
				59,972
				50
				10,764
				5,505
\$1,827				9,602
			\$2,944,966	2,944,966
				57,328
<u>1,827</u>	<u>NONE</u>	<u>NONE</u>	<u>2,944,966</u>	<u>14,161,824</u>
				9,947,682
				971,258
				51,555
				3,491
			131,337	131,337
		\$3,633		22,863
<u>NONE</u>	<u>NONE</u>	<u>3,633</u>	<u>131,337</u>	<u>11,128,186</u>
		13,956		
<u>NONE</u>	<u>NONE</u>	<u>13,956</u>	<u>NONE</u>	<u>NONE</u>
1,827	NONE	10,323	2,813,629	3,033,638
<u>135,559</u>	<u>\$20,043</u>	<u>143,553</u>	<u>18,315,741</u>	<u>20,804,773</u>
<u>\$137,386</u>	<u>\$20,043</u>	<u>\$153,876</u>	<u>\$21,129,370</u>	<u>\$23,838,411</u>

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AT EUNICE
CURRENT FUNDS**

**Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1997**

	<u>GENERAL</u>	<u>AUXILIARY ENTERPRISES</u>	<u>RESTRICTED</u>
Revenues:			
Tuition and fees	\$2,198,653		\$72,991
State appropriations	4,439,029		
Federal grants and contracts			2,580,347
State grants and contracts			450,637
Private gifts, grants, and contracts			139,994
Sales and services of auxiliary departments		\$1,253,842	
Endowment income			54
Other sources	73,429		
Total revenues	<u>6,711,111</u>	<u>1,253,842</u>	<u>3,244,023</u>
Expenditures and transfers:			
Educational and general:			
Instruction	3,933,423		312,274
Research			4,600
Academic support	307,471		17,050
Student services	583,802		773,335
Institutional support	1,016,268		16,029
Operations and maintenance of plant	795,836		32,101
Scholarships and fellowships	66,859		2,088,634
Total educational and general expenditures	<u>6,703,659</u>	NONE	<u>3,244,023</u>
Mandatory transfers - loan fund matching	7,452		
Nonmandatory transfers - renewals and replacements		13,956	
Auxiliary enterprises expenditures		971,258	
Total expenditures and transfers	<u>6,711,111</u>	<u>985,214</u>	<u>3,244,023</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			(33,473)
Other		(8,154)	(51,555)
Net increase (decrease) in fund balances	<u>NONE</u>	<u>\$262,474</u>	<u>(\$85,028)</u>

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
PAUL M. HEBERT LAW CENTER**

Balance Sheet, All Funds, June 30, 1997

	CURRENT FUNDS		ENDOWMENT FUNDS	PLANT FUND - INVESTMENT IN PLANT	AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
	GENERAL	RESTRICTED				
ASSETS						
Cash and cash equivalents	\$493,408	\$707,534	\$78,966		\$1,570	\$1,281,478
Accounts receivable	24,905	41,689				66,594
Due from private foundation		24,778	387,432			412,210
Deferred charges and prepaid expenses	79,135					79,135
Institutional plant				\$10,617,608		10,617,608
TOTAL ASSETS	\$597,448	\$774,001	\$466,398	\$10,617,608	\$1,570	\$12,457,025
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$74,927	\$1,437				\$76,364
Accrued liabilities	75,761	4,075				79,836
Deposits held for others	126,150				\$1,570	127,720
Deferred revenues	320,610					320,610
Total Liabilities	597,448	5,512	NONE	NONE	1,570	604,530
Fund Equity:						
Net investment in plant				\$10,617,608		10,617,608
Fund balances:						
Reserved		24,776				24,776
Current operations - restricted		743,713				743,713
Noncurrent operations:						
Endowment			\$465,896			465,896
Quasi-endowment - restricted			502			502
Total Fund Equity	NONE	768,489	466,398	10,617,608	NONE	11,852,495
TOTAL LIABILITIES AND FUND EQUITY	\$597,448	\$774,001	\$466,398	\$10,617,608	\$1,570	\$12,457,025

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
PAUL M. HEBERT LAW CENTER**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1997**

	CURRENT FUNDS		ENDOWMENT FUNDS	PLANT FUND -	TOTAL
	GENERAL	RESTRICTED		INVESTMENT IN PLANT	
Revenues and other additions:					
Unrestricted current fund revenues	\$8,803,485				\$8,803,485
Tuition and fees - restricted		\$25,788			25,788
State grants and contracts - restricted		1,504			1,504
Federal grants and contracts - restricted		115,639			115,639
Private gifts, grants, and contracts - restricted		167,493			167,493
Sales and services		177,505			177,505
Investment income - restricted		36,741			36,741
State funded endowments			\$120,000		120,000
Endowment income		26,453	9,052		35,505
Additions to plant facilities				\$607,924	607,924
Total revenues and other additions	<u>8,803,485</u>	<u>551,123</u>	<u>129,052</u>	<u>607,924</u>	<u>10,091,584</u>
Expenditures and other deductions:					
Educational and general	8,803,485	550,109			9,353,594
Disposal of plant facilities				251,123	251,123
Total expenditures and other deductions	<u>8,803,485</u>	<u>550,109</u>	<u>NONE</u>	<u>251,123</u>	<u>9,604,717</u>
Net increase for the year	NONE	1,014	129,052	356,801	486,867
Fund balances at beginning of year	<u>NONE</u>	<u>767,475</u>	<u>337,346</u>	<u>10,260,807</u>	<u>11,365,628</u>
Fund balances at end of year	<u>NONE</u>	<u>\$768,489</u>	<u>\$466,398</u>	<u>\$10,617,608</u>	<u>\$11,852,495</u>

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
PAUL M. HEBERT LAW CENTER
CURRENT FUNDS**

**Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1997**

	<u>GENERAL</u>	<u>RESTRICTED</u>
Revenues:		
Tuition and fees	\$3,750,467	\$23,663
State appropriations	4,930,784	88,660
Federal grants and contracts		115,639
State grants and contracts		1,911
Private gifts, grants, and contracts		171,211
Sales and services of educational departments	62,059	131,566
Investment income	58,785	
Endowment income		17,459
Other sources	1,390	
Total revenues	<u>8,803,485</u>	<u>550,109</u>
Expenditures and transfers - educational and general:		
Instruction	4,339,642	300,240
Research	439,092	9,778
Public service	11,836	10,493
Academic support	1,610,391	72,438
Student services	261,645	30,663
Institutional support	986,413	103,072
Operations and maintenance of plant	803,914	19,425
Scholarships and fellowships	350,552	4,000
Total educational and general expenditures	<u>8,803,485</u>	<u>550,109</u>
Total expenditures and transfers	<u>8,803,485</u>	<u>550,109</u>
Other additions - excess of restricted receipts over transfers to revenues		<u>1,014</u>
Net increase in fund balances	<u>NONE</u>	<u>\$1,014</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AGRICULTURAL CENTER**

Balance Sheet, All Funds, June 30, 1997

	<u>CURRENT FUNDS</u>		<u>ENDOWMENT FUNDS</u>
	<u>GENERAL</u>	<u>RESTRICTED</u>	
ASSETS			
Cash and cash equivalents	\$362,007	\$4,578,323	
Accounts receivable	162,554	3,449,729	
Due from private foundation		25,336	\$456,466
Deferred charges and prepaid expenses	7,237	28,806	
Inventories	3,198,119		
Institutional plant			
TOTAL ASSETS	\$3,729,917	\$8,082,194	\$456,466
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$29,506	\$2,195	
Accrued liabilities	491,593	143,193	
Due to state treasury	3,189		
Deposits held for others	1,585		
Deferred revenues	5,925		
Total Liabilities	531,798	145,388	NONE
Fund Equity:			
Net investment in plant			
Fund balances:			
Reserved	3,198,119	360,919	
Current operations - restricted		7,575,887	
Noncurrent operations:			
Restricted			
Endowment			\$456,466
Total Fund Equity	3,198,119	7,936,806	456,466
TOTAL LIABILITIES AND FUND EQUITY	\$3,729,917	\$8,082,194	\$456,466

PLANT FUNDS		AGENCY FUNDS	TOTAL
UNEXPENDED	INVESTMENT IN PLANT		(MEMORANDUM ONLY)
\$3,350,290		\$11,289	\$8,301,909
			3,612,283
			481,802
			36,043
			3,198,119
	\$36,295,219		36,295,219
<u>\$3,350,290</u>	<u>\$36,295,219</u>	<u>\$11,289</u>	<u>\$51,925,375</u>
\$1,075			\$32,776
			634,786
			3,189
		\$11,289	12,874
			5,925
<u>1,075</u>	<u>NONE</u>	<u>11,289</u>	<u>689,550</u>
	\$36,295,219		36,295,219
110,397			3,669,435
			7,575,887
3,238,818			3,238,818
			456,466
<u>3,349,215</u>	<u>36,295,219</u>	<u>NONE</u>	<u>51,235,825</u>
<u>\$3,350,290</u>	<u>\$36,295,219</u>	<u>\$11,289</u>	<u>\$51,925,375</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AGRICULTURAL CENTER**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1997**

	<u>CURRENT FUNDS</u>		<u>ENDOWMENT</u>
	<u>GENERAL</u>	<u>RESTRICTED</u>	<u>FUNDS</u>
<i>Revenues and other additions:</i>			
Unrestricted current fund revenues	\$72,710,529		
State grants and contracts - restricted		\$4,785,030	
Federal grants and contracts - restricted		3,391,924	
Private gifts, grants, and contracts - restricted		4,781,867	
Investment income - restricted		260,946	
Sales and services		660,188	
State funded endowments			\$40,000
Endowment income		23,083	9,782
Additions to plant facilities			
Other sources		307,594	
Total revenues and other additions	<u>72,710,529</u>	<u>14,210,632</u>	<u>49,782</u>
<i>Expenditures and other deductions:</i>			
Educational and general	72,710,529	13,832,529	
Indirect costs recovered		430,146	
Expended for plant facilities			
Disposal of plant facilities			
Total expenditures and other deductions	<u>72,710,529</u>	<u>14,262,675</u>	<u>NONE</u>
Inventory increase	<u>408,036</u>	<u>NONE</u>	<u>NONE</u>
Net increase (decrease) for the year	408,036	(52,043)	49,782
Fund balances at beginning of year	<u>2,790,083</u>	<u>7,988,849</u>	<u>406,684</u>
Fund balances at end of year	<u>\$3,198,119</u>	<u>\$7,936,806</u>	<u>\$456,466</u>

PLANT FUNDS		
<u>UNEXPENDED</u>	<u>INVESTMENT IN PLANT</u>	<u>TOTAL</u>
		\$72,710,529
		4,785,030
		3,391,924
		4,781,867
\$110,511		371,457
		660,188
		40,000
		32,865
	\$2,249,299	2,249,299
<u>1,620,745</u>		<u>1,928,339</u>
<u>1,731,256</u>	<u>2,249,299</u>	<u>90,951,498</u>
		86,543,058
		430,146
244,411		244,411
	285,873	285,873
<u>244,411</u>	<u>285,873</u>	<u>87,503,488</u>
<u>NONE</u>	<u>NONE</u>	<u>408,036</u>
1,486,845	1,963,426	3,856,046
<u>1,862,370</u>	<u>34,331,793</u>	<u>47,379,779</u>
<u>\$3,349,215</u>	<u>\$36,295,219</u>	<u>\$51,235,825</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AGRICULTURAL CENTER
CURRENT FUNDS**

**Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1997**

	<u>GENERAL</u>	<u>RESTRICTED</u>
Revenues:		
Federal appropriations	\$10,015,944	
State appropriations	58,034,075	
Federal grants and contracts		\$3,257,199
State grants and contracts		5,347,774
Private gifts, grants, and contracts		4,281,837
Sales and services of educational departments	3,767,162	585,393
Investment income	135,301	96,586
Endowment income		15,967
Other sources	758,047	247,773
Total revenues	<u>72,710,529</u>	<u>13,832,529</u>
Expenditures and transfers - educational and general:		
Instruction		10
Research	36,839,435	10,519,969
Public service	28,708,370	3,097,461
Academic support	216,878	
Institutional support	4,580,922	127,328
Operations and maintenance of plant	2,364,924	12,000
Scholarships and fellowships		75,761
Total educational and general expenditures	<u>72,710,529</u>	<u>13,832,529</u>
Other additions (deductions):		
Excess of restricted receipts over transfers to revenues		378,103
Inventory increase	408,036	
Other		(430,146)
Net increase (decrease) in fund balances	<u>\$408,036</u>	<u>(\$52,043)</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
UNIVERSITY OF NEW ORLEANS**

Balance Sheet, All Funds, June 30, 1997

	CURRENT FUNDS			STUDENT LOAN FUNDS	ENDOWMENT FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED		
ASSETS					
Cash and cash equivalents	\$4,243,941	\$3,372,590		\$506,155	\$606,848
Investments			\$12,215		1,172,542
Accrued interest	1,351				
Accounts receivable	2,502,851	1,145,914	6,077,935		
Notes receivable				4,191,701	
Due from private foundation	49,060	37	479,442		2,874,422
Due from other funds		18,790			
Deferred charges and prepaid expenses	654,558	18,371	24,315		
Inventories	266,600	957,326	29,696		
Institutional plant					
TOTAL ASSETS	\$7,718,161	\$5,513,028	\$6,623,603	\$4,697,856	\$4,653,812
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$1,174,626	\$232,065	\$987,451		
Accrued liabilities	2,089,271	81,508	248,181		
Deposits held for others	19,891	57,424			
Due to other funds			18,790		
Deferred revenues	4,167,773	163,306	351,184		
Notes payable					
Bonds payable					
Total Liabilities	7,451,561	534,303	1,605,606	NONE	NONE
Fund Equity:					
Net investment in plant					
Fund balances:					
Reserved	266,600	104,877	1,663,616		
Current operations - restricted		4,873,848	3,354,381		
Noncurrent operations:					
Restricted				\$4,697,856	
Endowment					\$4,653,812
Total Fund Equity	266,600	4,978,725	5,017,997	4,697,856	4,653,812
TOTAL LIABILITIES AND FUND EQUITY	\$7,718,161	\$5,513,028	\$6,623,603	\$4,697,856	\$4,653,812

PLANT FUNDS					
UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	AGENCY FUNDS	TOTAL
\$241,303	\$58,240			\$52,458	\$9,081,535
6,216,062		\$1,022,720			8,423,539
103					1,454
				50,983	9,777,483
					4,191,701
					3,402,961
					18,790
					697,244
					1,253,622
			\$264,774,920		264,774,920
<u>\$6,457,468</u>	<u>\$58,240</u>	<u>\$1,022,720</u>	<u>\$264,774,920</u>	<u>\$103,441</u>	<u>\$301,623,249</u>
				\$1,219	\$2,395,361
					2,418,960
				102,222	179,537
					18,790
					4,682,263
			\$2,243,521		2,243,521
			11,290,000		11,290,000
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>13,533,521</u>	<u>103,441</u>	<u>23,228,432</u>
			251,241,399		251,241,399
		\$1,022,720			3,057,813
					8,228,229
\$6,457,468	\$58,240				11,213,564
					4,653,812
<u>6,457,468</u>	<u>58,240</u>	<u>1,022,720</u>	<u>251,241,399</u>	<u>NONE</u>	<u>278,394,817</u>
<u>\$6,457,468</u>	<u>\$58,240</u>	<u>\$1,022,720</u>	<u>\$264,774,920</u>	<u>\$103,441</u>	<u>\$301,623,249</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
UNIVERSITY OF NEW ORLEANS
ALL FUNDS**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1997**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$78,317,800	\$10,122,299		
Tuition and fees - restricted			\$4,263,386	
State grants and contracts - restricted			6,342,544	
Federal grants and contracts - restricted			19,747,583	\$40,896
Local grants and contracts - restricted			1,106,280	
Private gifts, grants, and contracts - restricted			4,989,292	
State funded endowments				
Investment income - restricted			122,125	
Endowment income			324,476	
Interest on loans receivable				61,917
Additions to plant facilities				
Retirement of indebtedness				
Other sources		391,140	2,997,862	59,760
Total revenues and other additions	<u>78,317,800</u>	<u>10,513,439</u>	<u>39,893,548</u>	<u>162,573</u>
Expenditures and other deductions:				
Educational and general	78,304,168		36,265,449	
Auxiliary enterprises		9,372,418		
Indirect costs recovered			2,980,293	
Loan cancellations and write-offs				40,217
Expended for plant facilities				
Retirement of indebtedness				
Interest on indebtedness				
Disposal of plant facilities				
Interagency transfers to Office of Facility Planning and Control				
Other				37,990
Total expenditures and other deductions	<u>78,304,168</u>	<u>9,372,418</u>	<u>39,245,742</u>	<u>78,207</u>
Transfers among funds - additions (deductions):				
Mandatory:				
Principal and interest		(15,927)	(505,001)	
Loan fund matching	(13,632)			13,632
Nonmandatory:				
Capital improvements		(323,195)	(552,686)	
Renewals and replacements		(42,059)		
Other		(196,246)	147,354	
Total transfers among funds	<u>(13,632)</u>	<u>(577,427)</u>	<u>(910,333)</u>	<u>13,632</u>
Inventory decrease	(55,722)	NONE	(8,880)	NONE
Net increase (decrease) for the year	(55,722)	563,594	(271,407)	97,998
Fund balances at beginning of year	<u>322,322</u>	<u>4,415,131</u>	<u>5,289,404</u>	<u>4,599,858</u>
Fund balances at end of year	<u>\$266,600</u>	<u>\$4,978,725</u>	<u>\$5,017,997</u>	<u>\$4,697,856</u>

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
					\$88,440,099
					4,263,386
					6,342,544
			\$29,723		19,818,202
					1,106,280
\$900					4,990,192
560,000					560,000
			47,336		169,461
71,832					396,308
					61,917
				\$11,138,610	11,138,610
				1,570,222	1,570,222
	\$8,977,979		2,470,487	292,729	15,189,957
632,732	8,977,979	NONE	2,547,546	13,001,561	154,047,178
					114,569,617
					9,372,418
					2,980,293
					40,217
	3,509,924				3,509,924
			1,570,222		1,570,222
			254,170		254,170
				1,670,015	1,670,015
	115,957				115,957
		\$287,852	291,228	8,840,000	9,457,070
NONE	3,625,881	287,852	2,115,620	10,510,015	143,539,903
					520,928
	875,881				
		42,059			
50,000		220,746	(221,854)		
50,000	875,881	262,805	299,074	NONE	NONE
NONE	NONE	NONE	NONE	NONE	(64,602)
682,732	6,227,979	(25,047)	731,000	2,491,546	10,442,673
3,971,080	229,489	83,287	291,720	248,749,853	267,952,144
\$4,653,812	\$6,457,468	\$58,240	\$1,022,720	\$251,241,399	\$278,394,817

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
UNIVERSITY OF NEW ORLEANS
CURRENT FUNDS**

**Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1997**

	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED
Revenues:			
Tuition and fees	\$36,041,463		\$4,310,027
State appropriations	38,040,449		
Federal grants and contracts			17,701,976
State grants and contracts			5,745,372
Local grants and contracts			957,837
Private gifts, grants, and contracts			4,766,127
Sales and services of educational departments	214,098		
Sales and services of auxiliary departments		\$10,122,299	
Endowment income			213,385
Investment income	436,217		122,125
Other sources	3,585,573		3,358,933
Total revenues	78,317,800	10,122,299	37,175,782
Expenditures and transfers:			
Educational and general:			
Instruction	41,779,702		6,940,644
Research	1,183,855		14,968,494
Public service	2,640,649		1,976,088
Academic support	10,335,387		702,646
Student services	3,167,293		2,618,926
Institutional support	8,891,332		801,635
Operations and maintenance of plant	6,914,808		916,683
Scholarships and fellowships	3,391,142		7,340,333
Total educational and general expenditures	78,304,168	NONE	36,265,449
Mandatory transfers for:			
Principal and interest		15,927	505,001
Loan fund matching	13,632		
Nonmandatory transfers for:			
Capital improvements		323,195	552,686
Renewals and replacements		42,059	
Other		196,246	(147,354)
Auxiliary enterprises expenditures		9,372,418	
Total expenditures and transfers	78,317,800	9,949,845	37,175,782
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			2,717,766
Inventory decrease	(55,722)		(8,880)
Other		391,140	(2,980,293)
Net increase (decrease) in fund balances	(\$55,722)	\$563,594	(\$271,407)

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU IN SHREVEPORT**

Balance Sheet, All Funds, June 30, 1997

	CURRENT FUNDS			STUDENT LOAN FUNDS	ENDOWMENT FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED		
ASSETS					
Cash and cash equivalents	\$1,236,521	\$982,195	\$1,748,712		\$143,762
Accrued interest	2,133	3,563	1,819		298
Accounts receivable	225,458	84,790	582,853		
Notes receivable				\$350	
Due from private foundation					503,184
Deferred charges and prepaid expenses	65,491		304		
Inventories		350,025			
Institutional plant					
TOTAL ASSETS	\$1,529,603	\$1,420,573	\$2,333,688	\$350	\$647,244
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$49,280	\$39,878	\$149,652		
Accrued liabilities	406,212	4,309	51,988		
Due to state treasury	9,091				
Deposits held for others					
Deferred revenues	1,065,020		109,445		
Contracts payable					
Obligations under capital leases					
Total Liabilities	1,529,603	44,187	311,085	NONE	NONE
Fund Equity:					
Net investment in plant					
Fund balances:					
Reserved			114,718		
Current operations - restricted		1,376,386	1,907,885		
Noncurrent operations:					
Restricted				\$350	
Endowment					\$647,244
Total Fund Equity	NONE	1,376,386	2,022,603	350	647,244
TOTAL LIABILITIES AND FUND EQUITY	\$1,529,603	\$1,420,573	\$2,333,688	\$350	\$647,244

PLANT FUNDS				
UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	AGENCY FUNDS	TOTAL
\$289,098	\$69,593		\$91,190	\$4,561,071
597			66	8,476
				893,101
				350
				503,184
				65,795
				350,025
		\$53,971,924		53,971,924
\$289,695	\$69,593	\$53,971,924	\$91,256	\$60,353,926
				\$238,810
				462,509
				9,091
			\$91,256	91,256
				1,174,465
		\$368,571		368,571
		111,480		111,480
NONE	NONE	480,051	91,256	2,456,182
		53,491,873		53,491,873
	\$69,593			184,311
				3,284,271
\$289,695				290,045
				647,244
289,695	69,593	53,491,873	NONE	57,897,744
\$289,695	\$69,593	\$53,971,924	\$91,256	\$60,353,926

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU IN SHREVEPORT
ALL FUNDS**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1997**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$17,172,199	\$2,247,402		
Tuition and fees - restricted			\$211,954	
State grants and contracts - restricted			1,314,785	
Federal grants and contracts - restricted			2,379,088	
Private gifts, grants, and contracts - restricted			1,118,107	
Investment income - restricted				
Sales and service			13,121	
Endowment income			5,003	
Additions to plant facilities				
Retirement of indebtedness				
Other sources			113,268	
Total revenues and other additions	<u>17,172,199</u>	<u>2,247,402</u>	<u>5,155,326</u>	<u>NONE</u>
Expenditures and other deductions:				
Educational and general	17,172,199		5,128,405	
Auxiliary enterprises		1,973,697		
Indirect costs recovered			124,324	
Expended for plant facilities				
Retirement of indebtedness				
Interest on indebtedness				
Other				\$7,820
Total expenditures and other deductions	<u>17,172,199</u>	<u>1,973,697</u>	<u>5,252,729</u>	<u>7,820</u>
Transfers among funds - additions (deductions):				
Mandatory - principal and interest		(70,157)		
Nonmandatory - other		(9,266)	9,266	
Total transfers among funds	<u>NONE</u>	<u>(79,423)</u>	<u>9,266</u>	<u>NONE</u>
Net increase (decrease) for the year	NONE	194,282	(88,137)	(7,820)
Fund balances at beginning of year	NONE	1,182,104	2,110,740	8,170
Fund balances at end of year	NONE	\$1,376,386	\$2,022,603	\$350

ENDOWMENT FUNDS	PLANT FUNDS			TOTAL
	UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
				\$19,419,601
				211,954
				1,314,785
				2,379,088
				1,118,107
	\$15,063			15,063
				13,121
\$28,180				33,183
			\$616,977	616,977
			51,429	51,429
				113,268
<u>28,180</u>	<u>15,063</u>	<u>NONE</u>	<u>668,406</u>	<u>25,286,576</u>
				22,300,604
				1,973,697
				124,324
	11,717			11,717
		\$51,429		51,429
		18,728		18,728
5,003				12,823
<u>5,003</u>	<u>11,717</u>	<u>70,157</u>	<u>NONE</u>	<u>24,493,322</u>
		70,157		
<u>NONE</u>	<u>NONE</u>	<u>70,157</u>	<u>NONE</u>	<u>NONE</u>
23,177	3,346	NONE	668,406	793,254
624,067	286,349	69,593	52,823,467	57,104,490
<u>\$647,244</u>	<u>\$289,695</u>	<u>\$69,593</u>	<u>\$53,491,873</u>	<u>\$57,897,744</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU IN SHREVEPORT
CURRENT FUNDS**

**Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1997**

	<u>GENERAL</u>	<u>AUXILIARY ENTERPRISES</u>	<u>RESTRICTED</u>
Revenues:			
Tuition and fees	\$7,064,288		\$185,296
State appropriations	9,843,235		
Federal grants and contracts			2,398,763
State grants and contracts			1,284,041
Private gifts, grants, and contracts			1,134,746
Sales and services of educational departments	52,417		43,376
Sales and services of auxiliary departments		\$2,247,402	
Investment income	111,958		
Endowment income			5,003
Other sources	100,301		77,180
Total revenues	<u>17,172,199</u>	<u>2,247,402</u>	<u>5,128,405</u>
Expenditures and transfers:			
Educational and general:			
Instruction	9,996,603		2,008,725
Research	54,041		413,175
Public service			662,649
Academic support	1,966,396		191,716
Student services	738,639		85,577
Institutional support	2,406,593		17,585
Operations and maintenance of plant	1,621,619		58,414
Scholarships and fellowships	388,308		1,690,564
Total educational and general expenditures	<u>17,172,199</u>	NONE	<u>5,128,405</u>
Mandatory transfers - principal and interest		70,157	
Nonmandatory transfers - other		9,266	(9,266)
Auxiliary enterprises expenditures		1,973,697	
Total expenditures and transfers	<u>17,172,199</u>	<u>2,053,120</u>	<u>5,119,139</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			26,921
Other			(124,324)
Net increase (decrease) in fund balances	<u>NONE</u>	<u>\$194,282</u>	<u>(\$88,137)</u>

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU MEDICAL CENTER**

Balance Sheet, All Funds, June 30, 1997

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
ASSETS				
Cash and cash equivalents		\$640,297		\$247,212
Investments	\$57,268,163		\$15,101	
Accrued interest	561,383			
Accounts receivable	4,846,937	575,864	67,370,161	
Notes receivable				11,332,081
Due from private foundation			502,701	
Due from other campuses	23,931,605			
Due from other funds	1,623,381	845,898	63,884,031	785,036
Deferred charges and prepaid expenses	1,490,359	11,337	121,887	
Inventories	7,683,363	3,008,252	241,347	
Institutional plant				
TOTAL ASSETS	\$97,405,191	\$5,281,648	\$132,135,028	\$12,364,329
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$3,873,847	\$1,110,677	\$5,757,747	\$7,881
Accrued liabilities	4,112,985	190,286	6,752,323	
Due to other funds	80,223,025			
Deposits held for others	54,883	196,200		
Deferred revenues	1,457,088	18,475	13,550	
Notes payable				
Bonds payable				
Total Liabilities	89,721,828	1,515,638	12,523,620	7,881
Fund Equity:				
Net investment in plant				
Fund balances:				
Reserved	7,683,363	555,512	11,208,203	
Current operations - restricted		3,210,498	108,403,205	
Noncurrent operations:				
Restricted				12,356,448
Endowment				
Total Fund Equity	7,683,363	3,766,010	119,611,408	12,356,448
TOTAL LIABILITIES AND FUND EQUITY	\$97,405,191	\$5,281,648	\$132,135,028	\$12,364,329

ENDOWMENT FUNDS	PLANT FUNDS				AGENCY FUNDS	TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT		
\$1,814,583	\$16,158,692	\$2,203,922			\$111,635	\$21,376,341
4,603,937			\$317,000			62,204,201
						561,383
						72,792,962
3,174,379						11,332,081
						3,677,080
						23,931,605
616,689	13,931,570	159,802				81,846,407
						1,623,383
						10,932,962
				\$511,141,606		511,141,606
<u>\$10,209,588</u>	<u>\$30,090,262</u>	<u>\$2,363,724</u>	<u>\$317,000</u>	<u>\$511,141,606</u>	<u>\$111,635</u>	<u>\$801,420,011</u>
	\$828,692					\$11,578,844
						11,055,594
						80,223,025
					\$111,635	362,718
						1,489,113
				\$833,716		833,716
				640,000		640,000
NONE	828,692	NONE	NONE	1,473,716	111,635	106,183,010
				509,667,890		509,667,890
	2,258,524	\$25,341	\$317,000			22,047,943
						111,613,703
	27,003,046	2,338,383				41,697,877
<u>\$10,209,588</u>	<u>29,261,570</u>	<u>2,363,724</u>	<u>317,000</u>	<u>509,667,890</u>	<u>NONE</u>	<u>10,209,588</u>
<u>10,209,588</u>	<u>29,261,570</u>	<u>2,363,724</u>	<u>317,000</u>	<u>509,667,890</u>	<u>NONE</u>	<u>695,237,001</u>
<u>\$10,209,588</u>	<u>\$30,090,262</u>	<u>\$2,383,724</u>	<u>\$317,000</u>	<u>\$511,141,606</u>	<u>\$111,635</u>	<u>\$801,420,011</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU MEDICAL CENTER
ALL FUNDS**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1997**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$121,491,251	\$23,460,679		
Tuition and fees - restricted			\$761,042	
State grants and contracts - restricted			41,001,208	
Federal grants and contracts - restricted			27,702,377	\$175,814
Local grants and contracts - restricted			1,202,917	
Private gifts, grants, and contracts - restricted			29,828,139	1,442
Investment income - restricted			9,222,985	52,635
Sales and services			116,744,932	
State funded endowments				
Endowment income			640,887	
Hospital - restricted	90,748		244,481,248	
Interest on loans receivable				162,904
Additions to plant facilities				
Retirement of indebtedness				
Other sources			9,699,223	36,504
Total revenues and other additions	<u>121,581,999</u>	<u>23,460,679</u>	<u>481,284,958</u>	<u>429,299</u>
Expenditures and other deductions:				
Educational and general	121,414,587		270,941,514	
Hospital	90,748		161,851,960	
Auxiliary enterprises		22,377,158		
Indirect costs recovered			8,645,090	
Loan cancellations and write-offs				3,607
Expended for plant facilities				
Retirement of indebtedness				
Interest on indebtedness				
Refunded to grantors				2,328
Interagency transfers to Office of Facility Planning and Control				
Interagency transfers to Department of Health and Hospitals			70,427,006	
Other		488,356		42,991
Total expenditures and other deductions	<u>121,505,335</u>	<u>22,865,514</u>	<u>511,865,570</u>	<u>48,926</u>
Transfers among funds - additions (deductions):				
Mandatory:				
Principal and interest		(233,180)		
Loan fund matching	(27,300)		(12,642)	39,942
Nonmandatory:				
Capital improvements	(49,364)	(2,870)	(4,396,645)	
Renewals and replacements		(273,964)		
Other		(23,000)	2,203,000	
Total transfers among funds	<u>(76,664)</u>	<u>(533,014)</u>	<u>(2,206,287)</u>	<u>39,942</u>

(Continued)

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
					\$144,951,930
					761,042
					41,001,208
					27,878,191
					1,202,917
					29,829,581
	\$1,644,685	\$58,038			10,978,343
					116,744,932
\$1,360,000					1,360,000
2,361,535					3,002,422
					244,571,996
					162,904
				\$18,702,168	18,702,168
				160,160	160,160
					9,735,727
<u>3,721,535</u>	<u>1,644,685</u>	<u>58,038</u>	<u>NONE</u>	<u>18,862,328</u>	<u>651,043,521</u>
					392,356,101
					161,942,708
					22,377,158
					8,645,090
					3,607
	5,007,211				5,007,211
			\$160,160		160,160
			73,020		73,020
					2,328
	7,174,189				7,174,189
					70,427,006
11,291		79,349			621,987
<u>11,291</u>	<u>12,181,400</u>	<u>79,349</u>	<u>233,180</u>	<u>NONE</u>	<u>668,790,565</u>
			233,180		
	4,537,461	(88,582)			
		273,964			
	(2,200,000)		20,000		
<u>NONE</u>	<u>2,337,461</u>	<u>185,382</u>	<u>253,180</u>	<u>NONE</u>	<u>NONE</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU MEDICAL CENTER
ALL FUNDS
Schedule of Changes in Fund Balances, 1997**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Inventory increase (decrease)	\$5,276,665	NONE	(\$44,753)	NONE
Net increase (decrease) for the year	5,276,665	\$62,151	(32,831,652)	\$420,315
Fund balances at beginning of year	2,408,898	3,703,859	152,443,060	11,936,133
Fund balances at end of year	<u>\$7,683,363</u>	<u>\$3,766,010</u>	<u>\$119,611,408</u>	<u>\$12,356,448</u>

(Concluded)

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
NONE	NONE	NONE	NONE	NONE	\$5,231,912
\$3,710,244	(\$8,199,254)	\$164,071	\$20,000	\$18,862,328	(12,515,132)
6,499,344	37,460,824	2,199,653	297,000	490,805,582	707,752,133
<u>\$10,209,588</u>	<u>\$29,281,570</u>	<u>\$2,363,724</u>	<u>\$317,000</u>	<u>\$509,667,890</u>	<u>\$695,237,001</u>

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU MEDICAL CENTER
CURRENT FUNDS**

**Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1997**

	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED
Revenues:			
Tuition and fees	\$12,340,204		\$469,128
State appropriations	71,316,199		
Federal grants and contracts			25,707,611
State grants and contracts	36,336,814		40,525,466
Local grants and contracts			1,314,751
Private gifts, grants, and contracts			22,097,330
Hospital income	90,748		232,279,260
Sales and services of educational departments	1,186,469		163,436,683
Sales and services of auxiliary departments		\$23,460,679	
Investment income	88,678		11,544,227
Endowment income			433,116
Other sources	222,887		9,822,195
Total revenues	<u>121,581,999</u>	<u>23,460,679</u>	<u>507,629,767</u>
Expenditures and transfers:			
Educational and general:			
Instruction	84,870,616		67,790,246
Research	8,117,566		34,651,842
Public service	300,137		103,438,895
Academic support	6,486,424		20,732,356
Student services	1,605,122		991,208
Institutional support	11,164,734		35,008,177
Operations and maintenance of plant	7,876,309		6,097,946
Scholarships and fellowships	993,679		2,230,844
Total educational and general expenditures	<u>121,414,587</u>	NONE	<u>270,941,514</u>
Mandatory transfers for:			
Principal and interest		233,180	
Loan fund matching	27,300		12,642
Nonmandatory transfers for:			
Capital improvements	49,364	2,870	4,396,645
Renewals and replacements		273,964	
Other		23,000	(2,203,000)
Auxiliary enterprises expenditures		22,377,158	
Hospital expenditures	90,748		161,851,960
Total expenditures and transfers	<u>121,581,999</u>	<u>22,910,172</u>	<u>434,999,761</u>

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU MEDICAL CENTER
CURRENT FUNDS
Schedule of Revenues, Expenditures,
and Other Changes, 1997**

	<u>GENERAL</u>	<u>AUXILIARY ENTERPRISES</u>	<u>RESTRICTED</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			(\$26,344,809)
Inventory increase (decrease)	\$5,276,665		(44,753)
Interagency transfers to Department of Health and Hospitals			(70,427,006)
Other		(\$488,356)	(8,645,090)
	<u>\$5,276,665</u>	<u>\$62,151</u>	<u>(\$32,831,652)</u>
Net increase (decrease) in fund balances			

(Concluded)

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**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on compliance with certain provisions of laws, regulations, contracts, and grants and on internal controls as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.

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OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

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November 25, 1997

Report on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of the Financial Statements
Performed in Accordance With *Government Auditing Standards*

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the Louisiana State University System, a component unit of the State of Louisiana, as of June 30, 1997, and for the year then ended, and have issued our report thereon dated November 25, 1997. We did not audit a portion of the Restricted Fund and Endowment Fund assets related to the university's Eminent Scholars Endowed Chairs Program and the Endowed Professorships Program, which are invested under contracts with the system's foundations. These amounts were audited by other auditors whose reports have been furnished to us. This report, insofar as it relates to those programs, is based solely upon the reports of the other auditors. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana State University System's financial statements are free of material misstatement, we and other auditors performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance that, although not material to the financial statements, are required to be reported herein under *Government Auditing Standards*.

Movable Property Noncompliance

The Property Management Office at Louisiana State University and A&M College (LSU) (Baton Rouge campus) did not comply with state movable property regulations. Louisiana Administrative Code 34:VII.307 requires that all acquisitions of qualified movable property items be tagged within 45 days after receipt of the property. In our test of 296 property items totaling \$1,194,116 from 65 purchase orders, 136 items

LEGISLATIVE AUDITOR

LOUISIANA STATE UNIVERSITY SYSTEM

STATE OF LOUISIANA

Compliance and Internal Control Report

November 25, 1997

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(46 percent) totaling \$521,408 were not tagged and reported in LSU's property control system for 123 to 182 days after receipt of the property.

The university expressed that this condition occurred because of staff shortages. Failure to update the movable property records and tag the items on a timely basis increases the risk of loss arising from unauthorized use and subjects the university to noncompliance with state laws and regulations.

The LSU Property Management Office should ensure that all movable property is tagged and recorded within 45 days of receipt. In a letter dated November 5, 1997, Dr. Jerry J. Baudin, Vice Chancellor for Finance and Administrative Services and Comptroller, concurred with the finding and described corrective action that has already occurred.

Inadequate Controls Over Movable Property

For the second year, the University of New Orleans failed to tag and record timely all movable property items as required by the Louisiana Property Assistance Agency (LPAA). In addition, the university failed to update timely the master inventory listing location codes for all movable property items. State property control regulations require state institutions to place a unique identification tag on property and record that information within 45 days after receipt and keep track of the property location. During our walk-through of one of the two departments selected for audit, we observed the following:

- Computer equipment (15 donated items and 2 items acquired by purchase), totaling \$30,129, was not tagged and entered into the university's property control records for a period exceeding one year. The university's corrective action plan for untagged property was not implemented until the latter part of the fiscal year, March 31, 1997.
- Transfers of movable property (46 items with a value of \$51,360) from one location to another were not reflected in the master inventory listing in a timely manner. The practice of relying on the annual physical inventory as a tool to ensure that all changes in property locations are captured results in untimely accountability.

Failure to follow LPAA property control regulations increases the risk that movable property may be lost, removed, or misused, without timely detection.

LEGISLATIVE AUDITOR

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Compliance and Internal Control Report
November 25, 1997
Page 3

The University of New Orleans should take the necessary corrective action to ensure that adequate internal accounting controls over movable property comply with state movable property regulations, as prescribed by the Commissioner of Administration and Louisiana Law. In a letter dated September 4, 1997, Ms. Linda K. Robison, Vice Chancellor for Financial Services, Comptroller and Chief Financial Officer, stated that university management concurred with the finding and steps will be taken to ensure that the university tags, records, and updates timely the master inventory listing location codes for all movable property items.

Untimely Liquidation of Patient Account Credit Balances

For the fourth consecutive year, the Louisiana State University Medical Center - New Orleans Professional Practice Association (PPA) has not instituted internal control policies and procedures to ensure that outstanding patient credit balances, which result from overpayments by patients and insurance companies, are reviewed and liquidated on a timely basis. At May 21, 1997, the PPA has outstanding credit balances of \$816,063 from patient overpayments.

Good internal controls require management to establish policies and procedures to record transactions timely and accurately. In addition, Louisiana Revised Statute (R.S.) 9:164 requires that any monies due and payable for more than one year are presumed abandoned and must be reported to the Department of Revenue and Taxation.

Ownership of the current credit balances should be determined, the monies should be returned to the rightful owners, and all credit balances remaining that are more than one year old should be reported to the Department of Revenue and Taxation. In a letter dated October 27, 1997, Robert L. Marier, M.D., MHA, Dean, School of Medicine in New Orleans, concurred with the finding and stated that corrective actions have been taken. Balances are being researched and appropriate actions are being taken to either refund amounts, correct balances, or identify balances that should be remitted as unclaimed property to the State of Louisiana. Procedures have been established to prevent the future accumulation of credit balances.

Failure to Comply With Terms of Contracts and Agreements

Louisiana State University Medical Center - New Orleans has not complied with certain terms of its contracts and agreements with the LSU School of Medicine in New Orleans, Faculty Group Practice (FGP), a nonprofit corporation. Good internal controls include procedures to ensure compliance with all contractual obligations.

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The medical center and FGP entered into a Cooperative Endeavor Agreement on November 1, 1995, and an Operating Agreement on January 7, 1997. The Operating Agreement, Section II (B)(5), requires the medical center to allocate employees' salaries and other operating expenses to specific cost centers so amounts chargeable to FGP can be accurately determined and captured. However, in reviewing compliance with the agreements, we determined that for the period March 1, 1997, through June 30, 1997, the medical center did not allocate costs incurred on behalf of FGP to specific cost centers as required by the agreements. In addition, the medical center has not changed the source of funding on the personnel action form (PER 3) that is used to identify the cost accounts for employees leased to FGP. As a result, the salary costs of these employees leased to FGP are not charged to the appropriate cost accounts.

These conditions occurred because management did not allocate sufficient resources to develop and implement procedures to recover costs incurred on behalf of FGP. Failure to identify costs incurred by the medical center resulted in an understatement of receivables in the June 30, 1997, financial statements. A subsequent analysis of costs resulted in a proposed audit adjustment to receivables of \$2,687,990. Management of the medical center agreed with the proposed audit adjustment and recorded the receivable.

Management of the medical center should implement procedures to ensure that contractual obligations are adhered to and all costs incurred by the medical center are reimbursed as prescribed in the agreements. In a letter dated October 27, 1997, Robert L. Marier, M.D., MHA, Dean, School of Medicine in New Orleans, concurred with the finding and outlined steps for corrective action.

Internal Control Over Financial Reporting

In planning and performing our audit, we and other auditors considered the Louisiana State University System's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Louisiana State University System's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the following paragraphs.

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Inadequate Controls Over Receivables

For the fifth consecutive year, the University of New Orleans has a large volume of outstanding receivables, which comprises mostly student tuition and fees. At June 30, 1997, there are \$300,556 of receivables that are between 91 days and 360 days delinquent and another \$625,855 of receivables that are more than 361 days delinquent. Deferring tuition and fees for students who have not completed the financial aid process and the lack of a cutoff in receiving financial aid data contributed to a substantial portion of the delinquent receivables. When a student is determined to be ineligible for financial aid or the student drops out, it is often difficult to collect delinquent accounts from students or former students. Management is responsible for maintaining a system of controls and establishing prudent policies that enhance the collection of earned resources. Failure to provide such systems and policies may result in the loss of resources.

The University of New Orleans should continue to review the age and collectibility of all receivables on an ongoing basis, monitor deferments given students, and encourage early student financial aid applications by implementing cutoff dates. In a letter dated September 4, 1997, Ms. Linda Robison, Vice Chancellor for Financial Services, Comptroller and Chief Financial Officer, stated that management concurred with the finding. Management has implemented more stringent policies on financial aid deferments and continued aggressive collection efforts should ultimately resolve this long-term finding.

Untimely Billing

Louisiana State University Medical Center - New Orleans Professional Practice Association (PPA) has not developed and implemented effective procedures to ensure that all patient account charges are billed timely. Prudent business practices dictate that charges be billed soon after patients are discharged. In our review of the PPA billing and collection system, we determined that numerous patient account bills had not been processed through the medical center's computer system, with charges not being billed from 2 to 12 months after the date of discharge. This necessitated that unbilled charges be estimated at June 30, 1997, for presentation in the medical center's financial statements. The total estimate for gross unbilled charges was approximately \$4.4 million.

Management did not allocate sufficient resources to develop and implement procedures to ensure that patient account charges are billed timely. Failure to develop and implement controls over patient account billings diminishes the chances for collectibility and increases the risk that errors and/or fraud may not be detected in a timely manner.

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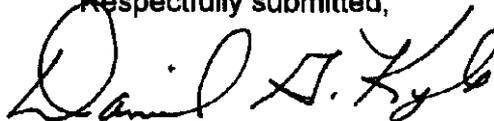
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Management should establish and implement policies and procedures to ensure that all patient account charges are billed timely. In a letter dated October 27, 1997, Robert L. Marier, M.D., MHA, Dean, School of Medicine in New Orleans, concurred with the finding and stated that steps have been taken to correct the problem. The backlog of billings is now approximately four to six weeks, and the ultimate goal is to process bills within five working days.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions previously described are material weaknesses.

This report is intended for the information and use of the university and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

MGT:BJJ:dl

[LSU]